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7 Attorneys for Creditor  
8 CHURCH OF SCIENTOLOGY INTERNATIONAL

9 UNITED STATES BANKRUPTCY COURT

10 NORTHERN DISTRICT OF CALIFORNIA

11		)	CASE NO. 95-10911 aj
12	In re	)	
13		)	REQUEST FOR JUDICIAL NOTICE
14	GERALD ARMSTRONG,	)	IN SUPPORT OF MOTION FOR
15		)	RELIEF FROM STAY
16		)	
17	Debtor	)	[11 U.S.C. §362(d)(1)]
18		)	
19		)	DATE: May 25, 1995
20		)	TIME: 9:00 a.m.
21		)	CTRM: Hon. Alan
22		)	Jaroslovsky

18 Creditor, Church of Scientology International requests that this Court take judicial notice  
19 of the following records of the Superior Court of the County of Marin of the State of California,  
20 the Superior Court of the County of Los Angeles of the State of California, and the Court of  
21 Appeal of the State of California Second Appellate District.

22 A. Second Amended Verified Complaint for Damages and for Preliminary and  
23 Permanent Injunctive Relief for Breach of Contract, filed on April 5, 1994 in the case of Church  
24 of Scientology International v. Gerald Armstrong, et al., Los Angeles County Superior Court,  
25 Case No. BC 052395, a true and correct copy of which is attached hereto as Exhibit A;

26 B. Church of Scientology International's Verified Complaint to Set Aside Fraudulent  
27 Transfers and for Damages; Conspiracy, filed on July 23, 1993, in Church of Scientology  
28 International v. Gerald Armstrong and Michael Walton, et al., Marin County Superior Court,



1 Case No. 157 680, a true and correct copy of which is attached hereto as Exhibit B;

2 C. Notice of Motion and Motion to Enforce Settlement Agreement; For Liquidated  
3 Damages and to Enjoin Future Violations, filed on October 3, 1991 in Church of Scientology  
4 of California v. Gerald Armstrong, et al., Los Angeles County Superior Court, Case No. C 420  
5 153, a true and correct copy of which is attached hereto as Exhibit C;

6 D. Complaint for Breach of Contract, filed on February 4, 1992 in Church of  
7 Scientology International v. Armstrong, Marin County Superior Court, Case No. 152 229, a true  
8 and correct copy of which is attached hereto as Exhibit D;

9 E. Motion to Disqualify Department Five, The Honorable William H. Stephens,  
10 Pursuant to Code of Civil Procedure Section 170.6, filed on February 27, 1992 in Church of  
11 Scientology International v. Armstrong, Marin County Superior Court, Case No. 152 229, a true  
12 and correct copy of which is attached hereto as Exhibit E;

13 F. Temporary Restraining Order issued by Judge Michael B. Dufficy on March 5,  
14 1992 in Church of Scientology International v. Armstrong, Marin County Superior Court, Case  
15 No. 152 229, a true and correct copy of which is attached hereto as Exhibit F;

16 G. Order re Defendant's Motion to Dismiss or Stay or Transfer to Los Angeles  
17 Superior Court issued by Judge Michael B. Dufficy on March 24, 1992 in Church of Scientology  
18 International v. Armstrong, Marin County Superior Court, Case No. 152 229, a true and correct  
19 copy of which is attached hereto as Exhibit G;

20 H. The Minute Order, Ruling on the Plaintiff's Motion for Preliminary Injunction,  
21 issued on May 28, 1992, in the case of Church of Scientology International v. Gerald  
22 Armstrong, et al., Los Angeles Superior Court, Case No. BC 052395, a true and correct copy  
23 of which is attached hereto as Exhibit H;

24 I. Notice of Ruling evidencing undertaking of \$70,000 posted by plaintiff, filed on  
25 June 5, 1992 in Church of Scientology International v. Gerald Armstrong, et al., Los Angeles  
26 Superior Court, Case No. BC 052395, a true and correct copy of which is attached hereto as  
27 Exhibit I;

28 J. First Amended Verified Complaint for Damages and For Preliminary and



1 Permanent Injunctive Relief for Breach of Contract, filed on June 4, 1992 in Church of  
2 Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court, Case No.  
3 BC 052395, a true and correct copy of which is attached hereto as Exhibit J;

4 K. Cross-complaint for Declaratory Relief, Abuse of Process, and Breach of  
5 Contract, filed on July 22, 1992 in Church of Scientology International v. Gerald Armstrong,  
6 et al., Los Angeles Superior Court, Case No. BC 052395, a true and correct copy of which is  
7 attached hereto as Exhibit K;

8 L. Notice of Appeal, dated July 23, 1992 and filed in Church of Scientology  
9 International v. Gerald Armstrong, et al., Los Angeles Superior Court, Case No. BC 052395,  
10 a true and correct copy of which is attached hereto as Exhibit L;

11 M. Reporter's Transcript of Proceedings for February 19, 1993 in Church of  
12 Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court, Case No.  
13 BC 052395, a true and correct copy of which is attached hereto as Exhibit M;

14 N. Declaration of Gerald Armstrong, executed February 2, 1993 in Church of  
15 Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court, Case No.  
16 BC 052395, a true and correct copy of which is attached hereto as Exhibit N;

17 O. Plaintiff's Notice of Motion and Motion for Summary Adjudication of the Fourth,  
18 Fifth, Sixth, Seventh, Ninth and Eleventh Causes of Action of Plaintiff's Complaint, filed March  
19 2, 1993; Plaintiff's Notice of Motion and Motion for Summary Adjudication of the Twelfth  
20 Cause of Action of Plaintiff's Complaint, filed March 2, 1993; and Notice of Motion and  
21 Motion by Cross-defendant Church of Scientology International for Summary Adjudication of  
22 the Second and Third Causes of Action of the Cross-complaint, filed March 3, 1992 in Church  
23 of Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court, Case No.  
24 BC 052395, a true and correct copy of which is attached hereto as Exhibit O;

25 P. Order by Judge David Horowitz granting Motion of Defendant Gerald Armstrong  
26 for Stay, dated March 23, 1993 in Church of Scientology International v. Gerald Armstrong,  
27 et al., Los Angeles Superior Court, Case No. BC 052395, a true and correct copy of which is  
28 attached hereto as Exhibit P;



1 Q. Verified Complaint for Damages and for Preliminary and Permanent Injunctive  
2 Relief for Breach of Contract, filed July 8, 1993 in Church of Scientology International v.  
3 Gerald Armstrong, et al., Los Angeles County Superior Court, Case No. BC084642, a true and  
4 correct copy of which is attached hereto as Exhibit Q;

5 R. Verified Cross-complaint for Abuse of Process, dated November 30, 1993 in  
6 Church of Scientology International v. Gerald Armstrong and Michael Walton, et al., Marin  
7 County Superior Court, Case No. 157 680, a true and correct copy of which is attached hereto  
8 as Exhibit R;

9 S. Order dated March 25, 1994 by Judge Gary Thomas sustaining demurrer to the  
10 first amended cross-complaint in Church of Scientology International v. Gerald Armstrong and  
11 Michael Walton, et al., Marin County Superior Court, Case No. 157 680, a true and correct  
12 copy of which is attached hereto as Exhibit S;

13 T. Second Amended Verified Cross-complaint for Abuse of Process, dated April 15,  
14 1994 in Church of Scientology International v. Gerald Armstrong and Michael Walton, et al.,  
15 Marin County Superior Court, Case No. 157 680, a true and correct copy of which is attached  
16 hereto as Exhibit T;

17 U. Opinion dated May 16, 1994 in Church of Scientology International v. Armstrong,  
18 Court of Appeal of the State of California, Second Appellate District, Case No. B069450,  
19 affirming order granting a preliminary injunction against Armstrong, a true and correct copy of  
20 which is attached hereto as Exhibit U;

21 V. Minute Order of June 7, 1994 by Judge David Horowitz setting trial date in  
22 Church of Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court,  
23 Case No. BC 052395, a true and correct copy of which is attached hereto as Exhibit V;

24 W. Notice of Motion and Motion for Summary Adjudication of the Fourth, Sixth and  
25 Eleventh Causes of Action of Plaintiff's Second Amended Complaint, filed August 2, 1994 in  
26 Church of Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court,  
27 Case No. BC 052395, a true and correct copy of which is attached hereto as Exhibit W;

28 X. Minute Order of August 16, 1994 by Judge David Horowitz granting summary



1 adjudication of the second and third causes of action in the cross-complaint in Church of  
2 Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court, Case No.  
3 BC 052395, a true and correct copy of which is attached hereto as Exhibit X;

4 Y. Stipulation and Order Changing Venue, signed by Judge David Horowitz on  
5 September 1, 1994 in Church of Scientology International v. Gerald Armstrong, et al., Los  
6 Angeles Superior Court, Case No. BC 052395, a true and correct copy of which is attached  
7 hereto as Exhibit Y;

8 Z. Order re Joint Motion for Consolidation and Continuance of Trial Date, filed  
9 October 25, 1994 in Church of Scientology International v. Gerald Armstrong and Michael  
10 Walton, et al., Marin County Superior Court, Case No. 157 680, a true and correct copy of  
11 which is attached hereto as Exhibit Z;

12 AA. Order Concerning Motions for Summary Judgment filed October 25, 1994 in  
13 Church of Scientology International v. Gerald Armstrong and Michael Walton, et al., Marin  
14 County Superior Court, Case No. 157 680, a true and correct copy of which is attached hereto  
15 as Exhibit AA;

16 BB. Plaintiff's Notice of Motion and Motion for Summary Adjudication of the Fourth,  
17 Sixth and Eleventh Causes of Action of Plaintiff's Second Amended Complaint in Church of  
18 Scientology International v. Gerald Armstrong and Michael Walton, et al., Marin County  
19 Superior Court, Case No. 157 680, a true and correct copy of which is attached hereto as  
20 Exhibit BB;

21 CC. Armstrong's Ex Parte Application to continue Date of Hearing per C.C.P. § 437c  
22 and Time to Oppose Motion therefor, dated December 8, 1994 in Church of Scientology  
23 International v. Gerald Armstrong and Michael Walton, et al., Marin County Superior Court,  
24 Case No. 157 680, a true and correct copy of which is attached hereto as Exhibit CC;

25 DD. Ruling by Judge Gary W. Thomas, dated January 27, 1995, granting motion for  
26 summary adjudication of issues as to the fourth and sixth causes of action in Church of  
27 Scientology International v. Gerald Armstrong and Michael Walton, et al., Marin County  
28 Superior Court, Case No. 157 680, a true and correct copy of which is attached hereto as



1 Exhibit DD;

2 EE. Notice of Motion and Motion for Summary Adjudication of the Twentieth Cause  
3 of Action of Plaintiff's Complaint, filed February 23, 1995 in Church of Scientology  
4 International v. Gerald Armstrong and Michael Walton, et al., Marin County Superior Court,  
5 Case No. 157 680, a true and correct copy of which is attached hereto as Exhibit EE;

6 FF. Substitution of Counsel by Gerald Armstrong, in propria persona, dated February  
7 23, 1995 in Church of Scientology International v. Gerald Armstrong and Michael Walton, et  
8 al., Marin County Superior Court, Case No. 157 680, a true and correct copy of which is  
9 attached hereto as Exhibit FF;

10 GG. Order granting Ex Parte Application to Continue Hearing on Motion for Summary  
11 Adjudication of Twentieth Cause of Action, filed March 10, 1995 in Church of Scientology  
12 International v. Gerald Armstrong and Michael Walton, et al., Marin County Superior Court,  
13 Case No. 157 680, a true and correct copy of which is attached hereto as Exhibit GG;

14 HH. Notice of Motion and Motion for Summary Adjudication of the thirteenth,  
15 Sixteenth, Seventeenth and Nineteenth Causes of Action of Plaintiff's Second Amended  
16 Complaint, filed March 17, 1995 in Church of Scientology International v. Gerald Armstrong  
17 and Michael Walton, et al., Marin County Superior Court, Case No. 157 680, a true and correct  
18 copy of which is attached hereto as Exhibit HH;

19 II. Transcript of Proceedings for March 22, 1995 in Church of Scientology  
20 International v. Gerald Armstrong and Michael Walton, et al., Marin County Superior Court,  
21 Case No. 157 680, a true and correct copy of which is attached hereto as Exhibit II;

22 JJ. Ex Parte Application to Continue Hearings on Motions for Summary Adjudication  
23 of 20th Cause of Action; and 13th, 16th, 17th & 19th Causes of Action of 2nd Amended  
24 Complaint, dated March 28, 1995 in Church of Scientology International v. Gerald Armstrong  
25 and Michael Walton, et al., Marin County Superior Court, Case No. 157 680, a true and correct  
26 copy of which is attached hereto as Exhibit JJ;

27 KK. Gerald Armstrong's Notice of Filing Chapter 7 Bankruptcy Petition and  
28 Imposition of Automatic Stay, dated April 19, 1995 in Church of Scientology International v.



1 Gerald Armstrong and Michael Walton, et al., Marin County Superior Court, Case No. 157 680,  
2 a true and correct copy of which is attached hereto as Exhibit KK;

3 Dated: April \_\_, 1995

Respectfully Submitted,

4 Andrew H. Wilson  
5 Shauna T. Rejkowski  
6 WILSON, RYAN & CAMPILONGO

7 MOXON & BARTILSON

8 By: 

Laurie J. Bartilson

9 Attorneys for Creditor  
10 CHURCH OF SCIENTOLOGY  
11 INTERNATIONAL  
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14 CHURCH OF SCIENTOLOGY INTERNATIONAL

ORIGINAL FILED

APR 05 1994

LOS ANGELES  
SUPERIOR COURT

15 SUPERIOR COURT OF THE STATE OF CALIFORNIA

16 FOR THE COUNTY OF LOS ANGELES

17 CHURCH OF SCIENTOLOGY	)	CASE NO. BC 052395
18 INTERNATIONAL, a California	)	
19 not-for-profit religious	)	VERIFIED SECOND AMENDED COMPLAINT
20 corporation;	)	FOR DAMAGES AND FOR PRELIMINARY
21 Plaintiff,	)	AND PERMANENT INJUNCTIVE RELIEF
22 vs.	)	FOR BREACH OF CONTRACT
23	)	
24 GERALD ARMSTRONG; THE GERALD	)	
25 ARMSTRONG CORPORATION, a	)	
26 California corporation; DOES	)	
27 1-25 INCLUSIVE	)	
28 Defendants.	)	

29 Plaintiff, by its attorneys, Wilson, Ryan & Campilongo and  
30 Bowles & Moxon, for its Complaint, alleges:

31 NATURE OF THE ACTION

32 1. In violation of the express terms and spirit of a  
33 settlement agreement ("the Agreement") entered into in December,  
34 1986, defendant Gerald Armstrong ("Armstrong") has embarked on a  
35 deliberate campaign designed to aid plaintiff's litigation  
36 adversaries, breach the confidentiality provisions of the



1 Agreement, and foment litigation, hatred and ill-will toward  
2 plaintiff.

3       2. More than seven years ago, plaintiff Church of  
4 Scientology International ("CSI") entered into the Agreement with  
5 Armstrong, on its own behalf and for the benefit of numerous  
6 third-party beneficiaries. The Agreement provided for a mutual  
7 release and waiver of all claims arising out of a cross-complaint  
8 which defendant Armstrong had filed in the case of Church of  
9 Scientology of California v. Gerald Armstrong, Los Angeles  
10 Superior Court No. C 420153. Armstrong, a former Church member  
11 who sought, by both litigation and covert means, to disrupt the  
12 activities of his former faith, displayed through the years an  
13 intense and abiding hatred for the Church, and an eagerness to  
14 annoy and harass his former co-religionists by spreading enmity  
15 and hatred among members and former members. Plaintiff sought  
16 with the Agreement to end all of Armstrong's covert activities  
17 against it, along with the litigation itself. For that reason,  
18 the Agreement contained carefully negotiated and agreed-upon  
19 confidentiality provisions and provisions prohibiting Armstrong  
20 from fomenting litigation against plaintiff by third parties.  
21 These provisions were bargained for by plaintiff to put an end to  
22 the enmity and strife generated by Mr. Armstrong once and for  
23 all.

24       3. This action arises out of deliberate and repeated  
25 breaches by Armstrong of these and other express provisions of  
26 the Agreement. Although plaintiff fully performed all of its  
27 obligations under the Agreement, Armstrong never intended to keep  
28 his part of the bargain and maintains that he considered the



1 referenced provisions to be unenforceable ab initio. As soon as  
2 he finished spending the money he extracted from plaintiff as the  
3 price of his signature, Armstrong began a systematic campaign to  
4 foment litigation against plaintiff by providing confidential  
5 information, copies of the Agreement, declarations, and  
6 "paralegal" assistance to litigants actively engaged in  
7 litigation against his former adversaries. Although plaintiff  
8 has repeatedly demanded that Armstrong end his constant and  
9 repeated breach of the provisions of the Agreement, Armstrong  
10 appears to delight in renewing his annoying and harassing  
11 activities, admitting to them in sworn declarations, and refusing  
12 to end his improper liaisons.

13 4. With this Complaint, plaintiff seeks the Court's aid in  
14 obtaining the peace for which it bargained more than seven years  
15 ago. Plaintiff requests liquidated damages pursuant to the terms  
16 of the Agreement from Armstrong and his sham corporate alter ego,  
17 the Gerald Armstrong Corporation ("GAC"), as well as injunctive  
18 relief to prevent additional and future breaches of the Agreement  
19 by Armstrong.

#### 20 THE PARTIES

21 5. Plaintiff Church of Scientology International is a non-  
22 profit religious corporation incorporated under the laws of the  
23 State of California, having its principal offices in Los Angeles,  
24 California. Plaintiff CSI is the Mother Church of the  
25 Scientology religion.

26 6. Defendant Gerald Armstrong is a resident of Marin  
27 County, California.

28 7. Defendant Gerald Armstrong Corporation is a corporation



1 incorporated under the laws of the State of California, having  
2 its principal offices in San Anselmo, California.

3 8. Defendant Armstrong is the principal shareholder in GAC  
4 and its sole employee, and has been since the incorporation of  
5 GAC in 1987.

6 9. Defendant GAC is, and at all times since its  
7 incorporation was, the alter ego of defendant Armstrong and there  
8 exists, and at all times since GAC's incorporation has existed, a  
9 unity of interest and ownership between these two defendants such  
10 that any separateness between them has ceased to exist, in that  
11 defendant Armstrong caused his own personal assets to be  
12 transferred to GAC without adequate consideration, in order to  
13 evade payment of his lawful obligations, and defendant Armstrong  
14 has completely controlled, dominated, managed and operated GAC  
15 since its incorporation for his own personal benefit.

16 10. Defendant GAC is, and at all times herein mentioned  
17 was, a mere shell, instrumentality and conduit through which  
18 defendant Armstrong carried on his activities in the corporate  
19 name exactly as he conducted it previous to GAC's incorporation,  
20 exercising such complete control and dominance of such activities  
21 to such an extent that any individuality or separateness of  
22 defendant GAC and defendant Armstrong does not, and at all  
23 relevant times mentioned herein, did not exist.

24 11. Adherence to the fiction of the separate existence of  
25 defendant GAC as an entity distinct from defendant Armstrong  
26 would permit an abuse of the corporate privilege and would  
27 sanction fraud, in that Armstrong transferred his material assets  
28 to GAC in 1988, prior to embarking on the campaign of harassment



1 described herein, and with the intention of preventing plaintiff  
2 from obtaining monetary relief from Armstrong pursuant to the  
3 liquidated damages clause. GAC exists solely so that Armstrong  
4 may be "judgment proof."

5 THE CONTRACT

6 12. On or about December 6, 1986, CSI and Armstrong entered  
7 into a written confidential settlement Agreement, a true and  
8 correct copy of which is attached hereto as Exhibit A, and  
9 incorporated herein by reference.

10 13. The Agreement was entered into by plaintiff and  
11 defendant Armstrong, with the participation of their respective  
12 counsel after full negotiation. Each provision of the Agreement  
13 was carefully framed by the parties and their counsel to  
14 accurately reflect the agreement of the parties.

15 14. Plaintiff specifically negotiated for and obtained from  
16 Armstrong the provisions in the Agreement delineated in  
17 paragraphs 7(D), 7(H), 7(G), 10 and paragraphs 12 through 18,  
18 because it was well aware, through investigation, that Armstrong  
19 had undertaken a series of covert activities, apart from the  
20 litigation, which were intended by Armstrong to discredit Church  
21 leaders, spark government raids into the Churches, create phony  
22 "evidence" of wrongdoing against the Churches, and, ultimately,  
23 destroy the Churches and their leadership.

24 15. Contemporaneously with the signing of the Agreement,  
25 Armstrong represented that he understood the Agreement's  
26 provisions and was acting of his own free will and not under  
27 duress.

28 16. The Agreement also provided that plaintiff CSI would



1 pay to Armstrong's attorney, Michael Flynn, a lump sum amount  
2 intended to settle not just Armstrong's case, but the cases of  
3 other clients of Mr. Flynn as well, and that Mr. Flynn would pay  
4 to Armstrong a portion of that settlement amount. The exact  
5 amount of the portion to be paid to Armstrong by Mr. Flynn was  
6 maintained as confidential between Mr. Flynn and Armstrong.

7 17. CSI paid to Mr. Flynn the lump sum settlement amount.

8 18. Mr. Flynn paid to Armstrong his confidential portion of  
9 the lump sum settlement amount, which was at least \$520,000,  
10 after expenses.

11 19. The consideration paid to Armstrong was fair,  
12 reasonable and adequate. Plaintiff CSI has performed all of its  
13 obligations pursuant to the Agreement.

14 FIRST CAUSE OF ACTION

15 (Against Armstrong for Breach of Contract)

16 20. Plaintiff realleges paragraphs 1-19, inclusive, and  
17 incorporates them herein by reference.

18 21. Vicki and Richard Aznaran ("the Aznarans") are former  
19 Scientology parishioners currently engaged in litigation against,  
20 inter alia, RTC and CSI, in the case of Vicki J. Aznaran, et al.  
21 v. Church of Scientology of California, et al., United States  
22 District Court for the Central District of California, Case No.  
23 CV 88-1786 JMI (Ex).

24 22. In June, 1991, the Aznarans discharged their attorney,  
25 Ford Greene, and retained attorney Joseph A. Yanny to represent  
26 them.

27 23. While acting as the Aznarans' counsel, Yanny hired  
28 Gerald Armstrong as a paralegal to help Yanny on the Aznaran

1 case.

2 24. In July, 1991, Armstrong agreed to travel from Marin  
3 County to Los Angeles and asked Yanny to pay him \$500 for his  
4 proposed help.

5 25. In July, 1991, Armstrong did travel to Los Angeles as  
6 he had agreed, stayed with Yanny on July 15 and July 16, 1991,  
7 and provided Yanny with paralegal assistance and a declaration  
8 for the Aznaran case.

9 26. Yanny is former counsel to CSI, and his substitution  
10 into the case was vacated by the Court sua sponte on July 24,  
11 1991, the Court noting that Yanny's retention as the Aznarans'  
12 counsel was "highly prejudicial" to CSI.

13 27. Armstrong's acceptance of employment by Yanny to work  
14 on the Aznarans' litigation is a direct violation of Paragraphs  
15 7(G) and 10 of the Agreement.

16 28. As a direct and proximate result of Armstrong's breach  
17 of the agreement by providing paralegal assistance to Yanny in  
18 the Aznarans' litigation, plaintiff has incurred damages which  
19 are not presently calculable. In no event, however, are they  
20 less than the jurisdictional minimum of this Court.

21 Consequently, for this breach plaintiff seeks compensatory and  
22 consequential damages according to proof.

23 **SECOND CAUSE OF ACTION**

24 (Against Armstrong for Breach of Contract)

25 29. Plaintiff realleges paragraphs 1-19, 21-28, inclusive,  
26 and incorporates them herein by reference.

27 30. After Yanny entered his appearance in the Aznarans'  
28 case and indicated to CSI's counsel that he represented Gerald



1 Armstrong as well, CSI brought suit against Yanny in the case of  
2 Religious Technology Center, et al. v. Joseph A. Yanny, et al.,  
3 Los Angeles Superior Court No. BC 033035 ("RTC v. Yanny"). In  
4 that action, plaintiff sought and obtained a Temporary  
5 Restraining Order and a Preliminary Injunction against Yanny,  
6 which prohibit Yanny from aiding, advising, or representing,  
7 directly or indirectly, the Aznarans or Armstrong, on any matters  
8 relating to the plaintiff.

9 31. At the hearings before the Court on the temporary  
10 restraining order and the injunction, Yanny filed two  
11 declarations prepared and executed by Armstrong on July 16, 1991.  
12 The declarations were offered by Yanny as part of Yanny's  
13 defense, which was ultimately rejected by the Court when it  
14 issued its injunction.

15 32. Armstrong's aid to Yanny in the RTC v. Yanny case is a  
16 direct violation of Paragraphs 7(G) and 10 of the Agreement.

17 33. Armstrong attached as an exhibit to one of his July 16,  
18 1991 declarations a copy of the Agreement, the terms of which he  
19 had agreed, pursuant to paragraph 18(D), to keep confidential.  
20 This disclosure of the terms of the Agreement is a violation of  
21 its non-disclosure provisions, requiring that Armstrong pay to  
22 CSI \$50,000 in liquidated damages.

23 34. Despite demand by plaintiff, Armstrong has failed and  
24 refused to pay them the \$50,000 owed in liquidated damages for  
25 this breach of the Agreement.

26 THIRD CAUSE OF ACTION

27 (Against All Defendants for Breach of Contract)

28 35. Plaintiff realleges paragraphs 1-19, 21-28 and 30-34,



1 inclusive, and incorporates them herein by reference.

2 36. After Yanny's substitution into the Aznarans' case was  
3 summarily vacated, Ford Greene was reinstated as Aznarans'  
4 counsel of record. Ford Greene's law offices are located in San  
5 Anselmo, California.

6 37. On or about August, 1991, Armstrong began working in  
7 Ford Greene's office as a paralegal on the Aznarans' case. When,  
8 thereafter, the Aznarans hired attorney John Elstead to represent  
9 them as well, Armstrong provided paralegal services to Elstead as  
10 well as Greene. Armstrong's employment in Greene's office has  
11 continued to the present. Armstrong's activities constitute a  
12 daily and continuing breach of his contract, rendering  
13 plaintiff's bargain a nullity.

14 38. Plaintiff CSI has already incurred, and continues to  
15 incur, damages as a direct and proximate result of Armstrong's  
16 provision of aid to Greene in the Aznarans' case. Those damages  
17 are not presently calculable and will cease only when Armstrong  
18 is ordered to stop his improper conduct. In no event, however,  
19 are they less than the jurisdictional minimum of this Court.  
20 Consequently, for this breach plaintiff seeks compensatory and  
21 consequential damages according to proof.

22 **FOURTH CAUSE OF ACTION**

23 (Against All Defendants for Breach of Contract)

24 39. Plaintiff realleges paragraphs 1-19, 21-28, 30-34 and  
25 36-38, inclusive, and incorporates them herein by reference.

26 40. In addition to the paralegal services which Armstrong  
27 has provided to Ford Greene and John Elstead on the Aznarans'  
28 litigation, Armstrong also provided the Aznarans with a



1 declaration, dated August 26, 1991, and filed in the Aznarans'  
2 case. In that declaration, Armstrong describes some of his  
3 alleged experiences with and concerning plaintiff, and purports  
4 to authenticate copies of certain documents. These actions and  
5 disclosures are violations of paragraphs 7(G), 7(H) and 10 of the  
6 Agreement, requiring that Armstrong pay to CSI \$50,000 in  
7 liquidated damages.

8 41. Despite demand by plaintiff, Armstrong has failed and  
9 refused to comply with the liquidated damages provision by paying  
10 \$50,000 to plaintiff as demanded for this breach of the  
11 Agreement.

12 **FIFTH CAUSE OF ACTION**

13 (For Breach of Contract Against Armstrong)

14 42. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
15 38 and 40-41, inclusive, and incorporates them hereby reference.

16 43. On or about March 19, 1992, Armstrong, acting through  
17 Ford Greene as his agent, transmitted a press release to various  
18 members of the media, including the Cable News Network, San  
19 Francisco Chronicle, San Francisco Examiner, and the Marin County  
20 Independent Journal. A true and correct copy of the press  
21 release is attached hereto as Exhibit B. Said press release  
22 violated the Agreement in that it constituted disclosures by  
23 Armstrong, through Ford Greene as his agent, of his experiences  
24 with Scientology as prohibited by paragraph 2. The following are  
25 the excerpts from the press release which violate paragraph 2:

26 a) "Can the Scientology organization purchase the  
27 free speech rights of Gerald Armstrong-the former  
28 in-house biographer researcher/archivist of cult  
leader, L. Ron Hubbard..."







1           47. On or about March 19 and 20, 1992, Armstrong and  
2 Greene, acting as Armstrong's agent, granted the media additional  
3 interviews, which also violated paragraph 2 of the Agreement.  
4 During the course of his interview with the Cable News Network,  
5 for example, Armstrong stated, "I'm an expert in the  
6 misrepresentations Hubbard has made about himself from the  
7 beginning of Dianetics until the day he died." Attached hereto  
8 and incorporated herein by reference as Exhibit C is a true and  
9 correct transcription of the CNN broadcast which featured this  
10 statement made voluntarily by Armstrong in a media interview.

11           48. By reason of the foregoing breach of the Agreement,  
12 plaintiff is entitled to \$50,000 in liquidated damages.

13                               **SEVENTH CAUSE OF ACTION**

14                               (Against Armstrong for Breach of Contract)

15           49. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
16 38, 40-41, 43-45 and 47-48, inclusive and incorporates them  
17 herein by reference.

18           50. On or about February, 1992, Armstrong agreed to appear  
19 voluntarily as an "expert witness" in litigation known as  
20 Hunziker v. Applied Materials, No. 692629 S.C.S.C (the "Hunziker  
21 case"). The alleged subject of his "expertise" was Scientology.  
22 The defendants named in the Hunziker case include, inter alia,  
23 World Institute of Scientology Enterprises, Inc., which is a  
24 Scientology affiliated entity protected by the Agreement.

25           51. On or about February 21, 1992 and February 23, 1992,  
26 Armstrong met voluntarily with James Rummond and John Elstead,  
27 attorneys for the plaintiffs in the Hunziker case. During his  
28 meetings with these attorneys, Armstrong discussed his alleged



1 history and experiences with plaintiff and with other Scientology  
2 entities and individuals protected by the Agreement, and offered  
3 to appear for the plaintiffs as an "expert" on the subject of  
4 Scientology practices and beliefs.

5        52. On March 3, 1992, Armstrong voluntarily, and without  
6 the issuance of a subpoena by anyone, appeared for deposition in  
7 the Hunziker case and accepted a fee for his testimony from the  
8 defendants in that case of \$1,000. During the course of the  
9 deposition, which lasted for approximately four hours, Armstrong  
10 testified at length concerning his alleged experiences with and  
11 concerning plaintiff and other Scientology affiliated entities  
12 and individuals protected by the Agreement, and concerning  
13 knowledge and information which he claimed to have, concerning  
14 plaintiff and other Scientology affiliated entities and  
15 individuals.

16        53. During his deposition on March 3, 1992, Armstrong  
17 produced documents which he claimed to have reviewed in  
18 preparation for his testimony, in violation of paragraph 7(D) of  
19 the Agreement.

20        54. On or about March 12, 1992, Armstrong again appeared  
21 for deposition in the Hunziker case. This time, Armstrong  
22 claimed that he had been given a deposition subpoena not by the  
23 deposing attorney, but by attorney Elstead, and that Elstead had  
24 "filled out" the subpoena earlier that morning. Armstrong  
25 refused to produce a copy of the alleged subpoena, which had not  
26 been served on any of the parties to the case. In fact,  
27 Armstrong himself requested that Elstead issue him a subpoena on  
28 Sunday, March 8, 1992, after a temporary restraining order was



1 issued in this case. On March 8, 1992, Armstrong delivered  
2 additional documents to Elstead, again in violation of paragraph  
3 7(D) of the Agreement.

4 55. Plaintiff learned in April, 1992, through review of the  
5 aforesaid deposition transcript, that since the signing of the  
6 Agreement, Armstrong had "taken it upon [him]self" to reacquire  
7 documents which he had previously returned to plaintiff "from  
8 whatever source." He produced many of those documents  
9 voluntarily, first to Elstead on March 8, 1992, and then to  
10 opposing counsel during the March 12, 1992 deposition.

11 56. These actions and disclosures are violations of  
12 Paragraphs 7(D), 7(G), 7(H) and 10 of the Agreement, requiring  
13 that Armstrong pay to CSI \$250,000 in liquidated damages.

14 **EIGHTH CAUSE OF ACTION**

15 (Against Armstrong for Breach of Contract)

16 57. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
17 38, 40-41, 43-45, 47-48, 50-56, inclusive, and incorporates them  
18 herein by reference.

19 58. On or about April 7, 1992, while testifying in the  
20 matter known as Church of Scientology v. Yanny, (No. BC 033035),  
21 Armstrong made the Settlement Agreement sued upon herein an  
22 exhibit to the deposition transcript. Said action was a breach  
23 of paragraph 18(D) of the Agreement which prohibits disclosure of  
24 the contents of the Agreement.

25 59. By reason of the foregoing breach of the Agreement,  
26 Plaintiff is entitled to \$50,000 in liquidated damages, together  
27 with compensatory damages in an amount not presently known to  
28 plaintiff but believed to be in excess of the jurisdictional

1 minimum of this court.

2 NINTH CAUSE OF ACTION

3 (Against Armstrong for Beach of Contract)

4 60. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
5 38, 40-41, 43-45, 47-48, 50-56 and 58-59, inclusive, and  
6 incorporates them herein by reference.

7 61. In breach of the provision of paragraph 7(E) of the  
8 Agreement, Armstrong failed to return a letter written by L. Ron  
9 Hubbard to the Federal Bureau of Investigation in 1955 and an  
10 internal communication known as "Technical Bulletin."

11 62. In breach of the provisions of paragraph 7(H) of the  
12 Agreement, Armstrong gave a declaration in the Aznaran litigation  
13 on August 26, 1991 in opposition to a motion to exclude expert  
14 testimony.

15 63. Said declaration attached as exhibits the two documents  
16 referred to in paragraph 61 above, in breach of the provisions of  
17 Paragraph 7(D) of the Agreement.

18 64. By reason of the breaches by Armstrong in paragraphs  
19 7(E) and 7(H) of the Agreement, plaintiff has been damaged in an  
20 amount not presently known but believed to be in excess of the  
21 jurisdictional minimum of this Court.

22 65. By reason of the breach by Armstrong of paragraph 7(D)  
23 of the Agreement, plaintiff is entitled to liquidated damages in  
24 the amount of \$50,000.

25 TENTH CAUSE OF ACTION

26 (Against Armstrong for Breach of Contract)

27 66. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
28 38, 40-41, 43-45, 47-48, 50-56, 58-59 and 61-65, inclusive, and



1 incorporates them herein by reference.

2 67. Plaintiff learned in March, 1992, that during 1990 and  
3 1991, Armstrong voluntarily provided aid and advice to Bent  
4 Corydon and to Corydon's attorney, Toby Plevin, in the conduct of  
5 litigation against plaintiff and affiliated entities in the case  
6 of Bent Corydon v. Church of Scientology International, et al.,  
7 Los Angeles Superior Court Case No. C 694401.

8 68. Armstrong's voluntary provision of aid to Plevin to  
9 work on Corydon's litigation is a direct violation of paragraphs  
10 7(G) and 10 of the Agreement.

11 69. As a direct and proximate result of Armstrong's breach  
12 of the Agreement by providing voluntary assistance to Plevin in  
13 Corydon's litigation, plaintiff has incurred damages which are  
14 not presently calculable. In no event, however, are they less  
15 than the jurisdictional minimum of this Court. Consequently, for  
16 this breach plaintiff seeks compensatory and consequential  
17 damages according to proof.

18 ELEVENTH CAUSE OF ACTION

19 (Against Armstrong for Breach of Contract)

20 70. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
21 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 67-69, inclusive,  
22 and incorporates them herein by reference.

23 71. On May 27, 1992, after plaintiff's motion for  
24 preliminary injunction in this matter had been argued, and while  
25 a determination of that motion was still pending, Armstrong  
26 voluntarily provided a declaration to Gary M. Bright and Jerold  
27 Fagelbaum, attorneys for defendants David Mayo, Church of the New  
28 Civilization, John Nelson, Harvey Haber, Vivien Zegel and Dede



1 Reisdorf in the consolidated cases of Religious Technology  
2 Center, et al. v. Robin Scott, et al., and Religious Technology  
3 Center, et al. v. Wollersheim, et al., United States District  
4 Court for the Central District of California, Case Nos. CV 85-711  
5 JMI (Bx) and CV 85-7197 JMI (Bx) (the "Scott case"). The  
6 plaintiffs in the Scott case are plaintiff, Church of Scientology  
7 International, Church of Scientology of California, and Religious  
8 Technology Center, all entities specifically protected by the  
9 Agreement.

10 72. In his May 27, 1992 declaration, Armstrong purports to  
11 authenticate an earlier declaration which describes some of his  
12 alleged experiences with and concerning plaintiff, as well as a  
13 portion of a transcript which was ordered sealed in the earlier  
14 action between plaintiff and defendant. These actions and  
15 disclosures are violations of paragraphs 7(G), 7(H) and 10 of the  
16 Agreement, requiring that Armstrong pay to CSI \$50,000 in  
17 liquidated damages.

18 73. As a direct and proximate result of Armstrong's breach  
19 of the Agreement by providing voluntary assistance to Bright and  
20 Fagelbaum in the Scott case, plaintiff has incurred additional  
21 damages which are not presently calculable. In no event,  
22 however, are they less than the jurisdictional minimum of this  
23 Court. Consequently, for this breach plaintiff also seeks  
24 compensatory and consequential damages according to proof.

25 **TWELFTH CAUSE OF ACTION**

26 (Against All Defendants for Breach of Contract)

27 74. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
28 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73,



1 inclusive, and incorporates them herein by reference.

2 75. Since August, 1991, Armstrong has worked as a paralegal  
3 for attorney Ford Greene. Mr. Greene's practice consists  
4 substantially of pressing claims by former Scientologists against  
5 the plaintiff and other individuals and entities identified in  
6 paragraph 1 as beneficiaries of the Agreement (collectively, "the  
7 Beneficiaries").

8 76. Among Mr. Greene's clients who are pressing claims  
9 against one or more of the Beneficiaries are Ed Roberts and  
10 Denise Cantin.

11 77. While working in Mr. Greene's office, Armstrong  
12 provided substantial paralegal assistance to Mr. Greene in the Ed  
13 Roberts and Denise Cantin matters. In the case of Roberts, for  
14 example, Armstrong went to Colorado and interviewed Roberts in  
15 November, 1991, and has interviewed him at least seven times  
16 since then. In December, 1992, Armstrong even made a settlement  
17 demand to plaintiff's counsel on behalf of Roberts, without  
18 bothering to go through Roberts' attorney, Mr. Greene.

19 78. Armstrong's employment by Greene to work on the Roberts  
20 and Cantin matters is a direct violation of paragraphs 7(G) and  
21 10 of the Agreement.

22 79. As a direct and proximate result of Armstrong's breach  
23 of the agreement by providing paralegal assistance to Greene on  
24 the Roberts and Cantin matters, plaintiff has incurred damages  
25 which are not presently calculable. In no event, however, are  
26 they less than the jurisdictional minimum of this Court.  
27 Consequently, for this breach plaintiff seeks compensatory and  
28 consequential damages according to proof.



THIRTEENTH CAUSE OF ACTION

(For Breach of Contract Against All Defendants)

80. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 7-69, 71-73 and 75-79, inclusive, and incorporates them herein by reference.

81. In or about November, 1992, in Los Angeles, California, Armstrong attended a convention of the Cult Awareness Network, an anti-religious group whose members advocate the kidnapping and "deprogramming" of persons belonging to groups which they label "cults." While at the convention, Armstrong provided a lengthy videotaped interview to deprogramming specialist Jerry Whitfield. A true and correct copy of the transcript of the videotape is attached hereto as Exhibit D. Said videotaped interview violates the Agreement in that it purportedly contains disclosures by Armstrong of his claimed experiences with Scientology as prohibited by paragraph 7(D) of the Agreement.

82. In addition, the videotaped interview devotes an entire section to a description of the earlier action resulting from the Settlement Agreement and to a description of the Settlement Agreement itself. The making of the videotape violated the provisions of paragraphs 7(D) and 18 of the Agreement.

83. In addition, plaintiff is informed and therefore believes that Armstrong has distributed the videotape to persons other than Whitfield, the number of which plaintiff has still to ascertain. The provision of the videotape by Armstrong to any person additionally violates paragraphs 7(D) and 18 of the Agreement.

84. In addition, while at the CAN convention, Armstrong



1 spoke with approximately fifty (50) people, and willingly  
2 disclosed to them his claimed experiences with Scientology, in  
3 violation of paragraphs 7(D) and 18 of the Agreement.

4 85. By reason of the foregoing breaches by Armstrong,  
5 plaintiff is entitled to at least \$150,000 in liquidated damages,  
6 and further liquidated damages subject to proof.

7 FOURTEENTH CAUSE OF ACTION

8 (For Breach of Contract Against All Defendants)

9 86. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
10 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73, 75-79  
11 and 81-85, inclusive, and incorporates them herein by reference.

12 87. On or about December 22, 1992, Armstrong sent a letter  
13 to, inter alia, Malcolm Nothling, Ed Roberts, Lawrence  
14 Wollersheim, Richard Aznaran, Vicki Aznaran, Richard Behar, Ford  
15 Greene, Paul Morantz, Joseph A. Yanny, Toby L. Plevin, Graham E.  
16 Berry, Stuart Cutler, Anthony Laing, John C. Elstead, Fr. Kent  
17 Burtner, Margaret Singer, Cult Awareness Network and Daniel A.  
18 Leipold. Each of these individuals or organizations is (a)  
19 engaged in litigation against plaintiff and/or other  
20 Beneficiaries; (b) an avowed adversary of plaintiff and/or other  
21 Beneficiaries; and/or (c) an attorney who represents or has  
22 represented litigants and/or adversaries of plaintiff and/or  
23 other Beneficiaries. A true and correct copy of the letter sent  
24 by Armstrong is attached hereto as Exhibit E. Said letter  
25 violates the Agreement in that it contains purported disclosures  
26 by Armstrong of his claimed experiences with Scientology as  
27 prohibited by paragraph 7(D).

28 88. In addition, the letter devotes an entire section to a



1. description of the earlier action resulting from the breaches of  
2. the Settlement Agreement and to a description of the Settlement  
3. Agreement itself. The sending of the letter to plaintiff's  
4. adversaries violated the provision of paragraph 7(D) of the  
5. Agreement.

6. 89. By reason of the foregoing breach of the Agreement,  
7. plaintiff is entitled to \$950,000 in liquidated damages.

8. **FIFTEENTH CAUSE OF ACTION**

9. (Against All Defendants for Breach of Contract)

10. 90. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
11. 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 71-73, 75-79, 81-85  
12. and 87-89, inclusive and incorporates them herein by reference.

13. 91. According to Armstrong, sometime between December 22,  
14. 1992 and March 10, 1993, he spoke at an event at which  
15. approximately 30 to 40 people were present. At this event,  
16. Armstrong spoke of, inter alia, his claimed experiences with  
17. Scientology, in violation of at least paragraphs 7(D) and 18 of  
18. the Agreement, and received monetary compensation for his speech.

19. 92. By reason of the foregoing breach of the Agreement,  
20. plaintiff is entitled to \$50,000 in liquidated damages.

21. **SIXTEENTH CAUSE OF ACTION**

22. (Against All Defendants for Breach of Contract)

23. 93. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
24. 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 71-73, 75-79, 81-  
25. 85, 87-89, 91-92, inclusive, and incorporates them herein by  
26. reference.

27. 94. In or about June, 1993, Armstrong gave an interview to  
28. one or more reporters from Newsweek magazine, which also violated



1 paragraph 7(D) of the Agreement. Plaintiff is informed, and  
2 therefore believes, that during the course of his interview with  
3 the Newsweek reporter(s), whose identity is known to defendants  
4 but not to plaintiff, Armstrong stated that the Founder of the  
5 Scientology faith, L. Ron Hubbard, wanted "rich Scientologists to  
6 buy huge quantities of [The Way to Happiness] for distribution.  
7 He wanted to go down in history as a scientist or a philosopher  
8 or both." Attached hereto and incorporated herein by reference  
9 as Exhibit F is a true and correct copy of the Newsweek article  
10 which featured this statement made voluntarily by Armstrong in a  
11 media interview. The provision of this interview by Armstrong  
12 violated the provisions of paragraphs 2, 7(D) and 18 of the  
13 Agreement.

14 95. By reason of the foregoing breach of the Agreement,  
15 plaintiff is entitled to \$50,000 in liquidated damages.

16 SEVENTEENTH CAUSE OF ACTION

17 (Against All Defendants for Breach of Contract)

18 96. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
19 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73, 75-  
20 79, 81-85, 87-89, 91-92 and 94-95, inclusive, and incorporates  
21 them herein by reference.

22 97. In or about August, 1993, Armstrong gave an interview  
23 to one or more reporters from Entertainment Television, with the  
24 intention that the reporters broadly republish the interview on  
25 national television, which also violated paragraph 7(D) of the  
26 Agreement. During the course of his interview with the  
27 Entertainment Television reporter(s), whose identity is known to  
28 defendants but not to plaintiff, Armstrong made statements



1 concerning his claimed experiences with Scientology. Further,  
2 Armstrong provided to Entertainment Television a copy of a  
3 manuscript entitled: "ONE HELL OF A STORY An Original Treatment  
4 Written for Motion Picture Purposes Created and Written by Gerald  
5 Armstrong" (hereinafter, "the treatment"). Plaintiff is informed  
6 and believes that the treatment so provided includes detailed  
7 descriptions of Armstrong's alleged experiences in and concerning  
8 Scientology, including a description of Church scriptures which  
9 are considered sacred and confidential by the Church. Portions  
10 of the Armstrong interview and the treatment were shown on  
11 Entertainment Television's "Entertainment Tonight" show on August  
12 5, 1993. The provision of this interview and the treatment by  
13 Armstrong to Entertainment Television violated the provisions of  
14 at least paragraphs 7(D) and 18 of the Agreement.

15 98. By reason of the foregoing breach of the Agreement,  
16 plaintiff is entitled to \$50,000 in liquidated damages.

17 **EIGHTEENTH CAUSE OF ACTION**

18 (Against All Defendants for Injunctive Relief)

19 99. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
20 38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73, 75-  
21 79, 81-85, 87-89, 91-92, 94-95, 97-98, inclusive, and  
22 incorporates them herein by reference.

23 100. In or about June 1993, defendant Armstrong caused the  
24 formation of and became a director and officer of a Colorado  
25 corporation which he called Fight Against Coercive Tactics, Inc.  
26 ("FACTI"). One of the avowed purposes of this corporation is to  
27 foment civil litigation against plaintiff and the other entities  
28 and individuals protected by the Agreement. Armstrong formed



1 FACTI to implement his plan to foment such litigation.

2 101. Armstrong has established FACTI to create an electronic  
3 "library" that would feature, inter alia, hundreds of documents,  
4 declarations, exhibits and arguments prepared by Armstrong which  
5 discuss and pertain to the Beneficiaries, and to attempt to  
6 "shelter" these contractual breaches under a corporate name and  
7 the rubric of First Amendment privilege.

8 102. Armstrong has provided an entire assortment of  
9 documents to FACTI for its electronic library, including a copy  
10 of the settlement agreement herein, scores of declarations, and  
11 documents which Armstrong retained in violation of paragraph 7(E)  
12 of the Agreement. Providing these documents to FACTI with the  
13 intention that FACTI distribute them to others, including but not  
14 limited to other litigants, is a breach of paragraphs 7(H) and  
15 7(D) of the Agreement.

16 103. In or about January, 1994, Armstrong, using FACTI, sent  
17 a mass mailing to an as yet unascertained number of people,  
18 including members of the Scientology faith. In the mailing,  
19 Armstrong exhorts recipients to bring civil actions against the  
20 Church, stating that he is collecting negative information about  
21 the plaintiff "to assist ongoing litigation." Further, Armstrong  
22 requests the addresses of and ways to contact the family members  
23 of senior Church executives, an action which is clearly intended  
24 for the purpose of harassment.

25 104. To further the fomenting of litigation, the mailing  
26 contains a list, based on rumor, falsehood and innuendo, of  
27 persons supposedly harmed or injured by their belief in the  
28 Scientology religion. Plaintiff is informed and believes that



1 Armstrong, using FACTI as his cover, provided that list to Graham  
2 Berry, an attorney representing defendant Uwe Geertz in the case  
3 of Church of Scientology International v. Steven Fishman, et al.,  
4 United States District Court for the Central District of Los  
5 Angeles, Case No. 91-6426 HLH (Tx), which Berry then used against  
6 the Church in that action.

7 105. Armstrong's provision of assistance to Geertz and  
8 scores of other as yet unidentified would-be litigants is a  
9 direct violation of paragraphs 7(G) and 10 of the Agreement.

10 106. As a direct and proximate result of Armstrong's breach  
11 of the agreement via FACTI, plaintiff has incurred damages which  
12 are not presently calculable. In no event, however, are they  
13 less than the jurisdictional minimum of this Court. Consequently,  
14 for this breach plaintiff seeks compensatory and consequential  
15 damages according to proof.

16 **NINETEENTH CAUSE OF ACTION**

17 (Against Armstrong for Breach of Contract)

18 107. Plaintiff realleges paragraphs 1-19, 21-28, 30 -34, 36-  
19 38, 40-41, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73, 75-79, 81-  
20 85, 87-89, 91-92, 94-95, 97-98, and 100-106, inclusive, and  
21 incorporates them herein by reference.

22 108. On or about February 22, 1994, Armstrong voluntarily  
23 provided a declaration to Graham E. Berry, Gordon C. Calhoun, and  
24 the law firm of Lewis, D'Amato, Brisbois & Bisgaard, attorneys  
25 for defendant Uwe Geertz in the case of Church of Scientology  
26 International v. Steven Fishman and Uwe Geertz, United States  
27 District Court for the Central District of California, Case No.  
28 CV 91-6426 HLH (Tx). The declaration consists of a 14-page



1 discussion of his claimed experiences with and concerning  
2 plaintiff.

3 109. In his February 22, 1994 declaration, Armstrong also  
4 purports to authenticate a document which he titles "Find a  
5 Better Basket," and which he claims is both a literary work and a  
6 declaration. Armstrong further claims that "Find a Better  
7 Basket" describes some of his alleged experiences with and  
8 concerning plaintiff.

9 110. These actions and disclosures are violations of  
10 paragraphs 7(G), 7(H) and 10 of the Agreement, requiring that  
11 Armstrong pay to CSI \$50,000 in liquidated damages.

12 111. As a direct and proximate result of Armstrong's breach  
13 of the Agreement by providing voluntary assistance to Berry and  
14 Calhoun in the Fishman case, plaintiff has incurred additional  
15 damages which are not presently calculable. In no event,  
16 however, are they less than the jurisdictional minimum of this  
17 Court. Consequently, for this breach plaintiff also seeks  
18 compensatory and consequential damages according to proof.

19 TWENTIETH CAUSE OF ACTION

20 (Against All Defendants for Injunctive Relief)

21 112. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-  
22 38, 40-41, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73, 75-79, 81-  
23 85, 87-89, 91-92, 94-95, 97-98, 100-106 and 108-111, inclusive,  
24 and incorporates them herein by reference.

25 113. On or about April 28, 1993, plaintiff learned that  
26 Armstrong intended to appear that day on radio station KFAX and  
27 disclose his claimed experiences with Scientology. Plaintiff's  
28 counsel, Laurie Bartilson, faxed a letter to Armstrong and his



1 attorney, informing him that plaintiff would consider any such  
2 appearance to be a violation of the Agreement, and would subject  
3 Armstrong to the liquidated damages provision contained therein.  
4 In response, Armstrong sent a letter to Ms. Bartilson which  
5 stated, inter alia,

6 Your threat that you will subject me to the liquidated  
7 damages provision of the settlement agreement for  
8 appearing on KFAX is obscene. Even its inclusion in  
the settlement agreement; that is \$50,000.00 per word I  
write or speak about your organization is obscene....

9 In addition, Armstrong asserted that settlement agreements were  
10 an "antisocial policy" of plaintiff. He stated that he would not  
11 stop making media appearances and speeches, and that he had more  
12 planned for the near future if plaintiff did not immediately  
13 accede to his demands:

14 I expect to be doing various media appearances in the  
15 near future and talks to various groups, including one  
16 I have already agreed to with a university psychology  
17 class. I think it would be very beneficial, therefore,  
18 to resolve our differences as soon as possible by your  
organization's clear repudiation of its antisocial  
policies and practices, so that I can have good things  
to report at these talks.

19 114. In or about June, 1993, Armstrong made good his  
20 threats, and gave an interview to a reporter(s) from Newsweek  
21 magazine, as described in paragraph 94, supra.

22 115. On July 2, 1993, again making good his threats,  
23 Armstrong appeared in Los Angeles, California at the Los Angeles  
24 Superior Court. He attended a hearing in the Wollersheim II  
25 case, and afterwards gave an interview to a reporter who claimed  
26 to be "working on a story," but refused to identify himself.

27 116. In or about August, 1993, Armstrong gave an interview  
28 to reporters from Entertainment Television, as described in



1 paragraph 97, supra.

2 117. In or about August, 1993, Armstrong delivered to  
3 Entertainment Television a motion picture "treatment" concerning  
4 his experiences in and concerning Scientology, and told reporters  
5 for Entertainment Television that he was trying to "sell" the  
6 treatment, and have his claimed experiences portrayed in a motion  
7 picture.

8 118. In his February 22, 1994 declaration, which Armstrong  
9 provided to attorneys for litigant Uwe Geertz, Armstrong  
10 purported to authenticate a document which he titles "Find a  
11 Better Basket." Armstrong further claims that "Find a Better  
12 Basket" supposedly describes some of his alleged experiences with  
13 and concerning plaintiff is the treatment for a screenplay which  
14 he hopes to sell. ;

15 119. As described in paragraphs 100-103, supra, Armstrong  
16 has, in concert with others, created a computer bulletin board  
17 which has as its purpose facilitating continuous breaches of the  
18 Agreement by electronic means.

19 120. As a direct and proximate result of Armstrong's breach  
20 of the Agreement by disclosing his experiences, by making media  
21 appearances, by repeatedly providing assistance to litigants,  
22 would-be claimants and their attorneys, and by creating and  
23 operating FACTI, which breaches are persistent and continuing,  
24 CSI is and will continue to be irreparably harmed, and unless  
25 Armstrong and those acting in concert with him are preliminarily  
26 and permanently enjoined from continuing that unlawful conduct,  
27 further irreparable harm will be caused to CSI.

28 ///



1                                    ON THE FIRST CAUSE OF ACTION

- 2            1. For compensatory and consequential damages according to  
3 proof.  
4            2. For attorneys' fees and costs of suit.

5                                    ON THE SECOND CAUSE OF ACTION

- 6            1. For liquidated damages in the amount of \$50,000.  
7            2. For attorneys' fees and costs of suit.

8                                    ON THE THIRD CAUSE OF ACTION

- 9            1. For compensatory and consequential damages according to  
10 proof.  
11           2. For attorneys' fees and costs of suit.

12                                  ON THE FOURTH CAUSE OF ACTION

- 13           1. For liquidated damages in the amount of \$50,000.  
14           2. For attorneys' fees and costs of suit.

15                                  ON THE FIFTH CAUSE OF ACTION

- 16           1. For liquidated damages in the amount of \$50,000.  
17           2. For compensatory and consequential damages according to  
18 proof.  
19           3. For attorneys' fees and costs of suit.

20                                  ON THE SIXTH CAUSE OF ACTION

- 21           1. For liquidated damages in the amount of \$50,000.  
22           2. For attorneys' fees and costs of suit.

23                                  ON THE SEVENTH CAUSE OF ACTION

- 24           1. For liquidated damages in the amount of \$250,000.  
25           2. For attorneys' fees and costs of suit.

26                                  ON THE EIGHTH CAUSE OF ACTION

- 27           1. For liquidated damages in the amount of \$50,000.  
28           2. For attorneys' fees and costs of suit.



1                                    ON THE NINTH CAUSE OF ACTION

2            1. For compensatory and consequential damages according to  
3 proof.

4            2. For liquidated damages in the amount of \$50,000.

5            3. For attorneys' fees and costs of suit.

6                                    ON THE TENTH CAUSE OF ACTION

7            1. For compensatory and consequential damages according to  
8 proof.

9            2. For attorneys' fees and costs of suit.

10                                  ON THE ELEVENTH CAUSE OF ACTION

11           1. For compensatory and consequential damages according to  
12 proof.

13           2. For liquidated damages in the amount of \$50,000.

14           3. For attorneys' fees and costs of suit.

15                                  ON THE TWELFTH CAUSE OF ACTION

16           1. For compensatory and consequential damages according to  
17 proof.

18           2. For attorneys' fees and costs of suit.

19                                  ON THE THIRTEENTH CAUSE OF ACTION

20           1. For liquidated damages of \$150,000, and further  
21 liquidated damages according to proof.

22           2. For attorneys' fees and costs of suit.

23                                  ON THE FOURTEENTH CAUSE OF ACTION

24           1. For liquidated damages in the amount of \$950,000.

25           2. For attorneys' fees and costs of suit.

26                                  ON THE FIFTEENTH CAUSE OF ACTION

27           1. For liquidated damages in the amount of \$50,000.

28           2. For attorneys' fees and costs of suit.



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1 ON ALL CAUSES OF ACTION

2 1. For such other and further relief as the Court may deem  
3 just and proper.

4 DATED: April 4, 1994

BOWLES & MOXON

5  
6  
7 By: 

Laurie J. Bartilson

8 Andrew H. Wilson  
9 WILSON, RYAN & CAMPILONGO

10 Attorneys for Plaintiff  
11 CHURCH OF SCIENTOLOGY  
12 INTERNATIONAL  
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VERIFICATION

I, LYNN R. FARNY, declare as follows:

I am Secretary of the Plaintiff, Church of Scientology International, in the above-entitled matter. I have read the foregoing Verified Second Amended Complaint for Damages and for Preliminary and Permanent Injunctive Relief for Breach of Contract and know the contents thereof, which are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters, I believe them to be true.

I declare under the penalty of perjury pursuant to the laws of the State of California that the foregoing is true and correct.

Executed on April 4, 1994, at Los Angeles, California.

  
LYNN R. FARNY



EXHIBIT A

MUTUAL RELEASE OF ALL CLAIMS AND SETTLEMENT AGREEMENT

1. This Mutual Release of All Claims and Settlement Agreement is made between Church of Scientology International (hereinafter "CSI") and Gerald Armstrong, (hereinafter "Plaintiff") Cross-Complainant in Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153. By this Agreement, Plaintiff hereby specifically waives and releases all claims he has or may have from the beginning of time to and including this date, including all causes of action of every kind and nature, known or unknown for acts and/or omissions against the officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel of CSI as well as the Church of Scientology of California, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Religious Technology Center, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Author Services, Inc., its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and its trustee; and Mary Sue Hubbard, (all hereinafter collectively referred to as the



"Releasees"). The parties to this Agreement hereby agree as follows:

2. It is understood that this settlement is a compromise of doubtful and disputed claims, and that any payment is not to be construed, and is not intended, as an admission of liability on the part of any party to this Agreement, specifically, the Releasees, by whom liability has been and continues to be expressly denied. In executing this settlement Agreement, Plaintiff acknowledges that he has released the organizations, individuals and entities listed in the above paragraph, in addition to those defendants actually named in the above lawsuit, because among other reasons, they are third party beneficiaries of this Agreement.

3. Plaintiff has received payment of a certain monetary sum which is a portion of a total sum of money paid to his attorney, Michael J. Flynn. The total sum paid to Mr. Flynn is to settle all of the claims of Mr. Flynn's clients. Plaintiff's portion of said sum has been mutually agreed upon by Plaintiff and Michael J. Flynn. Plaintiff's signature below this paragraph acknowledges that Plaintiff is completely satisfied with the monetary consideration negotiated with and received by Michael J. Flynn. Plaintiff acknowledges that there has been a block settlement between Plaintiff's attorney, Michael J. Flynn, and the Church of Scientology and Churches and entities related to the Church of Scientology, concerning all of Mr. Flynn's clients who were in litigation with any Church of Scientology or related entity. Plaintiff has received a portion of this block.



amount, the receipt of which he hereby acknowledges. Plaintiff understands that this amount is only a portion of the block settlement amount. The exact settlement sum received by Plaintiff is known only to Plaintiff and his attorney, Michael J. Flynn, and it is their wish that this remain so and that this amount remain confidential.

  
\_\_\_\_\_  
Signature line for Gerald Armstrong

4. For and in consideration of the above described consideration, the mutual covenants, conditions and release contained herein, Plaintiff does hereby release, acquit and forever discharge, for himself, his heirs, successors, executors, administrators and assigns, the Releasees, including Church of Scientology of California, Church of Scientology International, Religious Technology Center, all Scientology and Scientology affiliated organizations and entities, Author Services, Inc. (and for each organization or entity, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel); L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and trustee; and Mary Sue Hubbard, and each of them, of and from any and all claims, including, but not limited to, any claims or causes of action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153 and all demands, damages, actions and causes of actions of every kind and nature, known or unknown,



for or because of any act or omission allegedly done by the Releasees, from the beginning of time to and including the date hereof. Therefore, Plaintiff does hereby authorize and direct his counsel to dismiss with prejudice his claims now pending in the above referenced action. The parties hereto will execute and cause to be filed a joint stipulation of dismissal in the form of the one attached hereto as Exhibit "A".

A. It is expressly understood by Plaintiff, that this release and all of the terms thereof do not apply to the action brought by the Church of Scientology against Plaintiff for Conversion, Fraud and other causes of action, which action has already gone to trial and is presently pending before the Second District, Third Division of the California Appellate Court (Appeal No. B005912). The disposition of those claims are controlled by the provisions of the following paragraph hereinafter.

B. As of the date this settlement Agreement is executed, there is currently an appeal pending before the California Court of Appeal, Second Appellate District, Division 3, arising out of the above referenced action delineated as Appeal No. B005912. It is understood that this appeal arises out of the Church of Scientology's complaint against Plaintiff which is not settled herein. This appeal shall be maintained notwithstanding this Agreement. Plaintiff agrees to waive any rights he may have to take any further appeals from any decision eventually reached by the Court of Appeal or any rights he may have to oppose (by responding brief or any other means) any further appeals taken by the Church of



Scientology of California. The Church of Scientology of California shall have the right to file any further appeals it deems necessary.

5. For and in consideration of the mutual covenants, conditions and release contained herein, and Plaintiff dismissing with prejudice the action Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153, the Church of Scientology of California does hereby release, acquit and forever discharge for itself, successors and assigns, Gerald Armstrong, his agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by Gerald Armstrong from the beginning of time to and including the date hereof.

6. In executing this Agreement, the parties hereto, and each of them, agree to and do hereby waive and relinquish all rights and benefits afforded under the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

7. Further, the undersigned hereby agree to the following:

A. The liability for all claims is expressly denied by the parties herein released, and this final compromise and



settlement thereof shall never be treated as an admission of liability or responsibility at any time for any purpose.

B. Plaintiff has been fully advised and understands that the alleged injuries sustained by him are of such character that the full extent and type of injuries may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, further damages may be sustained by Plaintiff; nevertheless, Plaintiff desires by this document to forever and fully release the Releasees. Plaintiff understands that by the execution of this release no further claims arising out of his experience with, or actions by, the Releasees, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the Releasees.

C. Plaintiff agrees to assume responsibility for the payment of any attorney fee, lien or liens, imposed against him past, present, or future, known or unknown, by any person, firm, corporation or governmental entity or agency as a result of, or growing out of any of the matters referred to in this release. Plaintiff further agrees to hold harmless the parties herein released, and each of them, of and from any liability arising therefrom.

D. Plaintiff agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other



similar form, by writing or to broadcast or to assist another to create, write, film or video tape or audio tape any show, program or movie, or to grant interviews or discuss with others, concerning their experiences with the Church of Scientology, or concerning their personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff expressly understands that the non-disclosure provisions of this subparagraph shall apply, inter alia, but not be limited, to the contents or substance of his complaint on file in the action referred to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. The attorneys for Plaintiff, subject to the ethical limitations restraining them as promulgated by the state or federal regulatory associations or agencies, agree not to disclose any of the terms and conditions of the settlement negotiations, amount of the



settlement, or statements made by either party during settlement conferences. Plaintiff agrees that if the terms of this paragraph are breached by him, that CSI and the other Releasees would be entitled to liquidated damages in the amount of \$50,000 for each such breach. All monies received to induce or in payment for a breach of this Agreement, or any part thereof, shall be held in a constructive trust pending the outcome of any litigation over said breach. The amount of liquidated damages herein is an estimate of the damages that each party would suffer in the event this Agreement is breached. The reasonableness of the amount of such damages are hereto acknowledged by Plaintiff.

E. With exception to the items specified in Paragraph 7(L), Plaintiff agrees to return to the Church of Scientology International at the time of the consummation of this Agreement, all materials in his possession, custody or control (or within the possession, custody or control of his attorney, as well as third parties who are in possession of the described documents), of any nature, including originals and all copies or summaries of documents defined in Appendix "A" to this Agreement, including but not limited to any tapes, computer disks, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above, all evidence of any nature, including evidence obtained from the named defendants through discovery, acquired for the purposes of this lawsuit or any lawsuit, or acquired for any other purpose



concerning any Church of Scientology, any financial or administrative materials concerning any Church of Scientology, and any materials relating personally to L. Ron Hubbard, his family, or his estate. In addition to the documents and other items to be returned to the Church of Scientology International listed above and in Appendix "A", Plaintiff agrees to return the following:

(a) All originals and copies of the manuscript for the work "Excalibur" written by L. Ron Hubbard;

(b) All originals and copies of documents commonly known as the "Affirmations" written by L. Ron Hubbard; and

(c) All documents and other items surrendered to the Court by Plaintiff and his attorneys pursuant to Judge Cole's orders of August 24, 1982 and September 4, 1982 and all documents and other items taken by the Plaintiff from either the Church of Scientology or Omar Garrison. This includes all documents and items entered into evidence or marked for identification in Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153. Plaintiff and his attorney will execute a Joint Stipulation or such other documents as are necessary to obtain these documents from the Court. In the event any documents or other items are no longer in the custody or control of the Los Angeles Superior Court, Plaintiff and his counsel will assist the Church in recovering these documents as quickly as possible, including but not limited to those tapes and other documents now in the possession of the United States District Court in the case of United States v. Zolin, Case No. CV



85-0440-HLH(X), presently on appeal in the Ninth Circuit Court of Appeals. In the event any of these documents are currently lodged with the Court of Appeal, Plaintiff and his attorneys will cooperate in recovering those documents as soon as the Court of Appeal issues a decision on the pending appeal.

To the extent that Plaintiff does not possess or control documents within categories A-C above, Plaintiff recognizes his continuing duty to return to CSI any and all documents that fall within categories A-C above which do in the future come into his possession or control.

F. Plaintiff agrees that he will never again seek or obtain spiritual counselling or training or any other service from any Church of Scientology, Scientologist, Dianetics or Scientology auditor, Scientology minister, Mission of Scientology, Scientology organization or Scientology affiliated organization.

G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology.

H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make



himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed.

I. The parties hereto agree that in the event of any future litigation between Plaintiff and any of the organizations, individuals or entities listed in Paragraph 1 above, that any past action or activity, either alleged in this lawsuit or activity similar in fact to the evidence that was developed during the course of this lawsuit, will not be used by either party against the other in any future litigation. In other words, the "slate" is wiped clean concerning past actions by any party.

J. It is expressly understood and agreed by Plaintiff that any dispute between Plaintiff and his counsel as to the proper division of the sum paid to Plaintiff by his attorney of record is between Plaintiff and his attorney of record and shall in no way affect the validity of this Mutual Release of All Claims and Settlement Agreement.

K. Plaintiff hereby acknowledges and affirms that he is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that his ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.



L. Notwithstanding the provisions of Paragraph 7(E) above, Plaintiff shall be entitled to retain any artwork created by him which concerns or relates to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above provided that such artwork never be disclosed either directly or indirectly, to anyone. In the event of a disclosure in breach of this Paragraph 7(L), Plaintiff shall be subject to the liquidated damages and constructive trust provisions of Paragraph 7(D) for each such breach.

8. Plaintiff further agrees that he waives and relinquishes any right or claim arising out of the conduct of any defendant in this case to date, including any of the organizations, individuals or entities as set forth in Paragraph 1 above, and the named defendants waive and relinquish any right or claim arising out of the conduct of Plaintiff to date.

9. This Mutual Release of All Claims and Settlement Agreement contains the entire agreement between the parties hereto, and the terms of this Agreement are contractual and not a mere recital. This Agreement may be amended only by a written instrument executed by Plaintiff and CSI. The parties hereto have carefully read and understand the contents of this Mutual Release of All Claims and Settlement Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically



incorporated herein shall be deemed to in any way exist or bind any of the parties hereto.

10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

11. The parties to this Agreement acknowledge the following:

A. That all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will;

B. That all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have obtained advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement; and

C. That all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

12. Each party shall bear its respective costs with respect to the negotiation and drafting of this Agreement and



all acts required by the terms hereof to be undertaken and performed by that party.

13. To the extent that this Agreement inures to the benefit of persons or entities not signatories hereto, this Agreement is hereby declared to be made for their respective benefits and uses.

14. The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

15. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

16. In the event any provision hereof be unenforceable, such provision shall not affect the enforceability of any other provision hereof.

17. All references to the plural shall include the singular and all references to the singular shall include the plural. All references to gender shall include both the masculine and feminine.

18.(A) Each party warrants that they have received independent legal advice from their attorneys with respect to the advisability of making the settlement provided for herein and in executing this Agreement.

(B) The parties hereto (including any officer, agent, employee, representative or attorney of or for any party) acknowledge that they have not made any statement,



representatio or promise to the other party regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party (or of any officer, agent, employee, representative or attorney for the other party).

(C) The persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

(D) The parties hereto and their respective attorneys each agree not to disclose the contents of this executed Agreement. Nothing herein shall be construed to prevent any party hereto or his respective attorney from stating that this civil action has been settled in its entirety.

(E) The parties further agree to forbear and refrain from doing any act or exercising any right, whether existing now or in the future, which act or exercise is inconsistent with this Agreement.

19. Plaintiff has been fully advised by his counsel as to the contents of this document and each provision hereof. Plaintiff hereby authorizes and directs his counsel to dismiss with prejudice his claims now pending in the action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153.

20. Notwithstanding the dismissal of the lawsuit pursuant to Paragraph 4 of this Agreement, the parties hereto agree that the Los Angeles Superior Court shall retain



jurisdiction to enforce the terms of this Agreement. This Agreement may be enforced by any legal or equitable remedy, including but not limited to injunctive relief or declaratory judgment where appropriate. In the event any party to this Agreement institutes any action to preserve, to protect or to enforce any right or benefit created hereunder, the prevailing party in any such action shall be entitled to the costs of suit and reasonable attorney's fees.

21. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date opposite their names.

Dated: December 6, 1986

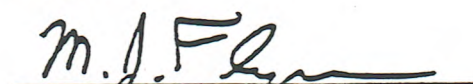
  
GERALD ARMSTRONG

  
Witness

  
Witness

Dated: 12/6/86

APPROVED AS TO FORM AND  
CONTENT:

  
MICHAEL J. FLYNN  
Attorney for  
GERALD ARMSTRONG

Dated: December 11, 1986

  
for  
CHURCH OF SCIENTOLOGY  
INTERNATIONAL

## APPENDIX A

1. As used herein, the term "document" or "documents" include but are not limited to all originals, file copies and copies not identical to the original, no matter how prepared, or all writings, papers, notes, records, books and other tangible things including, by way of example and not of limitation, the following:

a. Memoranda, notes, calendars, appointment books, shorthand or stenographer's notebooks, correspondence, letters and telegrams, whether received, sent, filed or maintained internally;

b. Drafts and notes, whether typed, penciled or otherwise, whether or not used;

c. Minutes, reports and summaries of meetings;

d. Contracts, agreements, understandings, commitments, proposals and other business dealings;

e. Recordings, transcriptions and memoranda or notes made of any telephone or face-to-face oral conversations between or among persons;

f. Dictated tapes or other sound recordings;

g. Computer printouts or reports and the applicable program or programs therefor;

h. Tapes, cards or any other means by which data are stored or preserved electrically, electronically, magnetically or mechanically, and the applicable program or program therefor (from which plaintiff may reproduce or cause to be reproduced such data in written form);



i. Pictures, drawings, photographs, charts or other graphic representations;

j. Checks, bills, notes, receipts, or other evidence of payment;

k. Ledgers, journals, financial statements, accounting records, operating statements, balance sheets and statements of account.

**EXHIBIT B**



WHERE: Marin Superior Court, San Rafael Civic Center -  
Scientology vs. Armstrong No. 152229

March 20, 1992 at 9:00 a.m., Department 4.

\* \* \* \* \*

Can the Scientology Organization purchase the free speech rights of Gerald Armstrong - the former in-house biography researcher/archivist of cult leader L. Ron Hubbard - so that it can keep the facts that he knows out of public view in the marketplace of ideas?

A former high-ranking Scientologist for 12 years, Armstrong split with the group when it insisted he continue lying about the accomplishments Hubbard claimed to the public at large. In 1982, the organization sued Armstrong for sending Hubbard documents to his lawyers. In 1984 at Armstrong's trial, Los Angeles Superior Court judge Paul G. Breckenridge, Jr., who ruled that Armstrong's actions had been manifestly justified, also found:

"In addition to violating and abusing its own members civil rights, the organization over the years with its "Fair Game" doctrine has harassed and abused those persons not in the Church whom it perceives as enemies. The organization is clearly schizophrenic and paranoid, and this bizarre combination seems to be a reflection of its founder LRH [L. Ron Hubbard]. The evidence portrays a man who has been virtually a pathological liar when it comes to his history, background, and achievements. The writings and documents in evidence additionally reflect his egoism, greed, avarice, lust for power, and vindictiveness and aggressiveness against persons perceived by him to be disloyal or hostile."

For years, Scientology has treated Armstrong as a "suppressive person" who was "Fair Game." This policy says as Fair Game one

"may be deprived of property or injured by any means by any Scientologist without any discipline of the Scientologist. May be tricked, sued or lied to or destroyed."



Defended by Ford Greene - the lawyer who persuaded the California Supreme Court that the Unification Church (Moonies) should be liable for brainwashing and who won an acquittal for a felonious-charged deprogrammer on the ground that the kidnapping was necessary to avoid cult-danger - Armstrong is resisting Scientology's high-powered attack in an effort to affirm his right to free speech to maintain vigilance for the truth.

After Armstrong beat Scientology's lawsuit against him in 1984, he was poised to prosecute his own claims. For millions of dollars, however, in 1986 Scientology settled with him and over 17 other Scientology-knowledgeable individuals on the condition that these persons would forever keep silent, avoid giving sworn testimony by evading subpoenas, and never aid or assist any one adverse to Scientology.

Between its full-page daily ads in U.S.A. Today and purchasing the silence of judicially-credible adversaries, Scientology's strategy is to eliminate the competition in the marketplace of ideas for those who would swallow the claims of its widespread advertisements for the benefits of Dianetics: The Science of Mental Health.

Scientology has demanded that newly-elevated Marin County Superior Court Judge Michael Dufficy give them a preliminary injunction which would prevent Armstrong from speaking out and assisting other individuals locked in litigation with Scientology - while at the same time fabricating false scenarios in other court proceedings that Armstrong was an agent of the IRS out to destroy it. If Scientology has its way, Armstrong would either roll over, or if he exposed its lies about him, Scientology would demand he be jailed for contempt of court.

When Scientology first came to Marin County to go after Armstrong, it asked the Court to conduct all proceedings in secret in closed proceedings. The Court refused. Then Scientology asked the Court to seal the settlement agreement that Scientology wants the Court to enforce. The Court refused. Now, Scientology has obtained a temporary restraining order compelling Armstrong not to speak out on the subject of Scientology. Scientology would like to make it permanent and will attempt to do just that at the March 20th Marin Superior Court hearing.

FOR FURTHER INFORMATION CALL:

KIRK SEIDEL, Press Liaison  
(415) 457-5711

FORD GREENE (415) 258-0360



**EXHIBIT C**

## HEADLINE NEWS

[SHOT: Studio setting]

NARRATOR: A former member of the Church of Scientology claims he has damaging information about the organization, but he's being silenced by a Court Order. Don Nab explains.

[CNN CAPTION: SCIENTOLOGY.]

[SHOT: Close up of Armstrong with Ford Greene behind him. Then a pan of the courtroom, with attorney Andy Wilson arguing and a shot of the Judge.]

Don Nab: Gerald Armstrong says he knows a lot about the Church of Scientology and he's fighting in court for the chance to tell it. A former archivist of the organization he had first hand access to records of Scientology's controversial founder, L. Ron Hubbard.

[SHOT: Close up of Armstrong in an office. Don Nab narrating]

Gerald Armstrong: I'm an expert in the misrepresentations Hubbard has made about himself from the beginning of Dianetics until the day he died.

Don Nab: But that's about all that he can say legally. The Church of Scientology slapped Armstrong with a Court Order to prevent him from talking about what he may know.

[SHOT: Excerpt of Video tape of 1986 settlement signing.]

Heller: You are going to sign this of your own free will.

Armstrong: Yes.

[CNN caption: December 1986.]

Heller: OK. You're not suffering from any duress or coercion which is compelling you to sign this document.

[CNN CAPTION: Video provided by Anti-Scientology Attorney.]

Armstrong: No.



Heller: Alright, ...

Don Nab: As part of the lawsuit settlement documented by Scientology on this video tape, the Church paid Armstrong \$800,000. In that settlement Armstrong agreed not talk about the Church, it's documents, or its founder.

[1ST SHOT: Wilson and Hertzberg sitting at counsel table.]  
[2ND SHOT: Greene arguing at counsel table.]

Don Nab: Now, the Church of Scientology wants to block Armstrong from working with anti-Scientology attorney, Ford Greene.

Ford Greene: Gerald Armstrong possesses information about the Church of Scientology on first-hand basis that undercuts a lot of the claims that they make to the public on a daily basis in advertisements on TV and advertisements in newspapers.

[CNN CAPTION: Ford Greene, Anti-Scientology Attorney.]

[SHOT: Bartilson at counsel table with a stack of papers.]

Don Nab: Greene hired Armstrong as a paralegal, to help him with a lawsuit against Scientology in Los Angeles.

[SHOT: Wilson arguing at counsel table.]

Don Nab: Attorneys for the Church of Scientology claimed that Armstrong was breaking his settlement contract.

Andy Wilson: \$800,000. \$800,000 was paid to that man. And now that he's spent the money, he comes into this court and he says, "I don't have to keep my part of the bargain."

[CNN CAPTION: Andrew Wilson, Scientology Attorney.]

[SHOT: Judge Dufficy at Bench.]

Don Nab: Scientology won this round. The gag on Armstrong remains, for now.

[SHOT: Close up of Armstrong at counsel table.]

Don Nab: Armstrong is not alone. 12 former Scientology members have accepted money to settle lawsuits with the Church.

[SHOT: Pleading packs on counsel table.]

Don Nab: The settlements included, promises to remain quiet and take no part in further litigation against the Church.

[SHOT: Greene in law office.]

Ford Greene: It'll be extremely damaging because Scientology has spent a whole ton of dough, on keeping not only Gerry silent but a lot of other people silent. And if Gerry's case unravels, it's the first domino, and all the rest of them are going to unravel ...

[SHOT: Green in law office with interviewer.]

Don Nab: Attorney Greene says, Armstrong's knowledge of Scientology can prove the Church is not what it says it is.

[SHOT: Outside of the Courtroom. Armstrong and Phippeny prominent.]

Don Nab: Scientology says, Armstrong accepted a lot of money not to discuss the Church and should keep his word. Don Nab, CNN, San Raphael, California.





GERRY ARMSTRONG VIDEO INTERVIEW 6 NOVEMBER 1992

S = Spanky Taylor  
G = Gerry Armstrong  
J = Jerry Whitfield

S: We're here with Gerry Armstrong on the 6th of November 1992. Hi, Gerry.

G: Hi, Spanky.

S: Basically, what we're doing here is I want to find out a little bit about your Scientology experience, or, more than a little bit -- as much as we can, starting from when you got involved.

G: Ok.

S: So, tell me about that first.

G: I got involved in 1969 in Vancouver, British Columbia, Canada. And ... I spent a year and a half...

S: How old were you then?

G: Twenty-two. Spent about a year and a half in Vancouver. Worked in the local franchise, Scientology Little Mountain. And then in the beginning of '71 went off to save the world. Joined the Sea Org. Flew to LA. And was ... Signed my Sea Org contract at what was USLO. Then was on board the Bolivar, stationship down -- not exactly sure where it was...

S: San Pedro?

G: San Pedro, right. Then...

S: I loved the Bolivar.

G: And then by mid-February '71 was flown to New York, Madrid. Madrid took a train down to Algeciras. Algeciras across by ferry to Tangiers. There sitting in the Tangier harbor was the Apollo. I stayed on board except for brief missions off the ship or sometimes I'd go ashore for brief periods. But was on board 'til the fall of 1975. And we were, in those years, in Portugal, Morocco, Spain, and the little Atlantic islands -- Madeira, the Canaries, and then we made a circuit to the Caribbean islands -- Bermuda, Bahamas, Jamaica, Trinidad, Barbados, Netherlands Antilles.

S: Sounds like a Beach Boys saga. (Laughter) And you knew LRH?



G: Uh huh.

S: You married, your first marriage was... you married on Flag.

G: Yeah. I married his head messenger. Terry Gillham. Young Terry. She was a pretty good catch.

S: She was. She was.

G: I was organizationally a social climber. I really was. It just worked out that way, you know, I was in the right place at the right time I guess.

S: You had quite the wedding. I remember the photos very well.

G: Yeah? Yeah, I had a big double wedding along with Pat and Trudy Broeker.

S: That's right.

G: And through most of my time on board the ship I was the Legal Officer. We called it the Ship's Representative. I dealt with Immigration, Customs, and the Police and Harbor Master and handled all the needs of the ship while in port. And then I was the Public Relation's Officer Port Captain for a period of time. And then I was the Intelligence Officer through our time in the Caribbean. And when we went ashore, landed in Daytona, I was the Intelligence Officer again at the staging area for the Clearwater base which we had in Daytona at that time.

J: What's an Intelligence Officer?

G: Well...

S: It's a

G: ...they were talking about...

S: ... jumbo shrimp, what are those things called oxymorons?

G: Espionage. It's a Hubbard patterned -- his intelligence system, after Nazi system. Perfected, created, developed by Reinhardt Gehlen. And I was one person within a giant network of intelligence personnel operated by the Guardian's Office who were in turn operated by the Guardian, Mary Sue Hubbard, and L. Ron Hubbard. He merely directed on his long distance communication lines all the intelligence operations internationally.

J: What kind of intelligence operations -- we're talking



about a church who has intelligence operations, a church with intelligence operations? Is that what you're saying? And you were there, you were involved in that? Is that what I'm hearing?

G: Right. Now I have a different perspective of course and I don't consider Scientology by any definition a "church" other than the fact that they have edifices -- buildings -- which could, if the activities therein were to change, could be churches. But the organization itself is not a church. But it's undeniable that it had intelligence organization and has been described as outside of the FBI and the CIA, the most formidable intelligence organization operating on the North American continent.

S: At this time, in the early times when you on the ship, you knew the offspring of L. Ron Hubbard. You knew his kids, as well?

G: Right.

S: Quentin and Diana, Arch and Suzette.

G: Right.

S: Tell me a little about them. I mean, you know, were they happy, were they well educated, were they ... because, of course, they were the offspring of this man with this tremendous wealth, did they receive the best of possible educations, did they lead a privileged life in terms of the...what was accessible to them in terms of in a society type of sense in terms of their education and their upbringing. Did they attend the finest finishing schools? Were they ... was Diana Hubbard a debutante. Do you know what I mean? Tell us about that.

G: I think she could have been a debutante but I don't think she was. I think that all the kids were pretty real in their own way, given the environment in which they found themselves and given the very odd circumstances of growing up in the Sea Organization. I suppose that the one I got closest to was Arthur. Arthur and I sort of ran tandem Sea Watch, or rather, gangway Quarter Master Watch for quite a period of time so I had the task of waking him up. He was pretty young at the time, maybe 13 or 14, I don't quite remember. It was always difficult waking him up and he would pull rank a little bit in that I didn't want to make too much noise waking him up in his cabin and there was always the threat that if you did anything out of line at all, Ron...

S: Son of Ron.

G: Son of Source.



S: Right, son of Source. Aauugh. That word.

G: But all of them, I was on Diana's Sea Watch and she was a good Conning Officer. I think that all of the kids were intelligent and I think that they were all decent, good people.

S: Happy? Unhappy?

G: I think both. You know, happy at times, unhappy at times.

S: Sort of normal then.

G: Pretty normal.

S: And Quentin?

G: Quentin, I think much the same thing. He probably was the oddest of the lot, relative to the Sea Org experience. But we got along fine. I always found him to be perhaps the most understanding, in a way, in almost as if he had ...

S: Sensitive?

G: Yeah, sensitive. compassionate. Didn't pull rank and wasn't threatening in any way.

S: So then you were at Daytona when the base was originally moved there.

G: Uh huh.

S: And from that point.

G: Then we moved to Dunedin. At that point I was busted from the Guardian's Office. I was in the Guardian's Office Intelligence Bureau. And Mary Sue or Nikki who was her communicator deemed me a security risk of some kind and so I was removed from the Guardian's Office and I was assigned to Hubbard's Communication Bureau. So I became what was called the Deputy LRH External Communications Aide when we moved to Dunedin which was in December of 1975 and we had a secret base for Hubbard and his personal staff and Mary Sue and her personal staff at Dunedin in an apartment complex I guess about maybe eight miles from Clearwater. And I stayed there until June of '76 at which time I was sent to Culver City here in Los Angeles to set up a staging area for what became the base that was built in La Quinta.

And I was only there for a brief amount of time. I was there to set up this unit along with three other messengers. And Hubbard arrived, Mary Sue Hubbard arrived, and then I had



a fight with Nikki, and Hubbard then assigned me -- first I was taken out of that unit and I was kept locked up at the Intelligence Bureau in the Fifield Manor in Los Angeles.

J: You were locked up?

G: Right. I was kept under guard for a couple of weeks.

S: Which is where that Guardian's Office had moved to.

G: Right. The Intelligence Bureau of the G.O. was there. I was picked up by the D/Guardian for Intelligence Dick Weigand.

J: Isn't that falsely (sic) imprisonment. Isn't that illegal?

G: Yeah. It was clearly false imprisonment.

S: At this point do you feel much of what you had done had been illegal? On some level or another?

J: For Scientology.

G: Personally?

S: That you had done personally.

G: I clearly had been involved in some illegalities while... especially while I was on the ship. Smuggling things on and off and...

J: What kind of things? Money, drugs? Weapons?

G: We did move a lot of money around. Briefcases...

J: Go on.

G: Briefcases of money that were brought to the ship. Booze, cigarettes, that sort of stuff taken off the ship and run through Customs. And other things that were just done sort of borderline activities. But I was willing to do those sorts of things at that time and I considered that I was doing ...it was the greatest good for the greatest number.

S: When you were working in Intelligence did you ... were you involved with any "dirty tricks" against other Scientologists or other staff members?

G: I was aware of dirty tricks against staff members and I was aware of the way the Guardian's Office Intelligence Bureau worked to some degree because I had a lot of the policies. I had the Guardian's Office Intelligence hat, the Intelligence



Manual which trained people to lie and steal and create false identities and harrass the enemy.

J: Why would a church need to do that?

G: Well, a church doesn't need to do that, but Scientology's not a church.

J: Why would Scientology feel the need to be involved in that kind of activity?

G: Because Hubbard was afraid and his idea on dealing with enemies was to attack them. One of the ways that he attacked them was through covert means.

J: Why would a man as great as Hubbard who had THE technology to save the world, have to fear anyone?

G: Well, he didn't have the technology to save the world and he simply had fear because he had fear and he was never able to triumph over his fear, so he put his trust in attacking people as opposed to doing the rational things in life and he also had reason to fear because he had falsified his credentials, he had lied about his life and he was afraid of being exposed and he had also lied and cheated for many years. He knew that there were people around who knew what he really was.

S: Now how did you come to find this out?

J: Can I ask one question? Answer that but answer this one first because you've got me really interested. If Scientology could do what it says it could do, would you still be in it? If it had the technology to do what it says, would you still be in anything?

G: In answering that question you'd have to...if you assumed that if it could do what it says it could do it would have a different form from what it is, then the answer might be yes. But both things would have to be true. It would have to deliver and it would have to be different from its present form opposed from the form which I came to know and understand.

J: Thanks. That's what I wanted to know. Go ahead with Spanky. How did you find out this?

S: How did you come to know that in fact Hubbard had fabricated his credentials, had in fact developed this tremendous fear that he had of being found out, had this paranoia?

J: What credentials? What would he do when found out?



G: I guess the process of that discovery began when I first got involved with the Sea Organization. Of course I worked with the man for quite a period of time. I shot gnus with him in the desert after we left the ship. He twice assigned me to the RPF. I talked to many people about him. I read hundreds of thousands of his words. I listened to him and listened to his tapes so I had a great understanding before I ever came to the realization that what I'd been led to understand was false, but I needed that great understanding I think in order to know what the falsities were. But I was, I considered, quite fortunate in that in the beginning of 1980 and we then were in Gilman Hot Springs and there was a threat of a raid and we were required to go through...each person had to go through his...all papers in his area, whatever post he was on, and all personal papers, and destroy anything which showed Hubbard's control of the organization, anything which showed his intent to live at the Gilman Hot Springs' property, anything which showed his control of organization finances.

S: So now in January of '80 isn't that when, as far as the rest of the staff at the other organizations knew, L. Ron Hubbard went off the lines, so to speak, January '80 he was like... Did he in fact go off the line or was it just made to look like he went off the line at that point? Cause if what you're saying, if I'm following you correctly, do you know, there was this perception that he was now gone and had cut ties to the actual on-hands running of the organization.

G: Well, it's...part of that is true. There had been a gradual decrease, I would say, of his hands-on involvement, but even though he left from the location that he was at the beginning of 1980, he continued to run the organization. He just continued to run through a different conduit.

S: Now, so you went through the papers within your own specific area. Was this prior to your being assigned to the biography project?

G: No, this is what the biography project came out of. Because in the process of going through my things I was at that time responsible for the Household Unit at the Gilman Hot Springs property. One of my juniors was responsible for all of L. Ron Hubbard's stuff -- his personal effects which were stored at the Gilman property. She came to me with a box of very old materials, very old papers, and asked if they should be shredded. I looked through this stuff and saw that it all predated Dianetics so thought, it should be no risk whatsoever. It has nothing to do with his running the organization. So, I also saw that it had great historical value. And when we then began to look over inventories, began to go through his stuff we uncovered some 20 boxes of similar



material. And I knew that this stuff, could form the basis for a library and was incredibly valuable for its history and just as original documents, and that it would form the basis for a biography. So, it was at that time that I petitioned Hubbard to be able to collect this stuff up to preserve it and to contract with an outside writer to do the biography.

He approved the petition in January '80. And then we communicated another couple of times before I then did not have what was that direct comm line to him, communication line. We could then no longer admit to a communication line to him. It still was there but we could not use it for fear of civil litigants or the government then being able to subpoena him.

S: As he was under a lot of legal threat.

G: Right.

S: Domestically, at that time, right?

G: Right.

J: Why would L. Ron Hubbard be under legal threat?

G: Because he controlled the organization.

J: What's wrong with that?

G: And because the organization was involved in criminal and tortious activities.

S: I think additionally the church had, was also under tremendous legal stress in terms of people who were filing suit against the church now for fraud. There were attempts made to name L. Ron Hubbard in a suit, to actually serve him or subpoena him which is when he sort of "poof."

G: Right.

S: Disappeared.

J: So he disappeared, he ran and hid.

G: Right.

J: So, hiding is pretty down on the tone scale.

S: So I hear, honey.

J: But that's what the great L. Ron Hubbard was doing. You were there and that's what you saw.



G: Yeah. I mean he did hide.

J: I'm not trying -- it's just very difficult, the reason I'm saying this, it's very difficult for somebody who's in Scientology to conceive that the great L. Ron Hubbard whom they've never met, but have only heard these wonderful things about, to even perceive or comprehend that this might have been ... might have occurred with this man. How can this man be human? He's not human. He was L. Ron Hubbard. The reason that we're doing this interview is so that other people can know. It's very easy for a non-Scientologist to understand those things. It's very difficult for a Scientologist because Scientologists don't get the type of information that non-Scientologists get. And yet you were there. You knew him. You worked with him for probably 15 years or so.

G: I was in the Sea Org for 11 years.

S: And Gerry, backing up a bit, you saw him as a fallible human being, am I correct?

G: Yeah.

S: I mean he had had illnesses.

G: Right.

S: A great many illnesses, a few illnesses?

G: Quite a few.

S: I know that he had these horrendous allergies which when we refer to them we would be heavily reprimanded and corrected and told they were not allergies they were sensitivities. (laughs) You know there was a brilliant way of sort of smoothing over things.

G: Right. Right. He continued to wear clothes when he was stark naked. Right.

S: Oh, yes. Yes, of course.

G: And we all did that in our own mind, and we all stopped ourselves from thinking critical thoughts of L. Ron Hubbard. We really didn't do him much of a favor because he really was human in every way.

S: Yes. Do you feel that the mindset of the group of -- all of the adoration that L. Ron Hubbard received, contributed to his delusion? Or do you feel that he imposed the delusion upon the group? Or do you think it's kind of 50/50?



G: There's no doubt that he was in control. And there's ... we did not control L. Ron Hubbard. And although he could have become the effect of his own lust for control, and his own greed and his own avarice, so he created his sycophants. And the effect of... often of what you create may not be that pleasant so he did create his own prison.

S: Ok. So now you contracted with Omar Garrison, am I correct, to do the writing of this book which you were researching?

G: Yeah, beginning in January, I collected up the materials from the Gilman Hot Springs property.

S: Several boxes of materials.

G: Right.

J: This was in '80 or '81?

G: '80, beginning of '80. And then shortly after that I moved them to Los Angeles and I began to add to them. I travelled around, travelled up and down the west coast and I bought collections, other people's collections of Hubbard materials. I interviewed a number of people, his other living relatives.

J: L. Ron Hubbard, Jr.?

G: Yeah.

J: His ex-wife?

S: Sarah Nordstrom. (sic)

G: No. No, I didn't talk to Sara. I talked to Sara after that project was over.

J: His daughter Alexis?

G: I spoke to her as well some time later. I spoke to his living aunt, living uncle.

J: That was his...

G: Yeah. It was good. Good. And they really saw him for what he was, as well. They knew him in a real manner. They knew that he was a big storyteller.

S: Now, at this time you're going around talking to these people and I presume verifying his various degrees and his education credentials, etc. And you're starting to see holes in these stories, right? At this point, it's still 1980, are you going, whoa. This guy's full of shit. Or are you going,



oh, something's wrong here? Or -- I mean I know so many people within the church, despite the fact that these claims and the intros to these books and L. Ron Hubbard's past, you know, and he's been killed three times and come back to life and born of a Virgin Mother or whatever the hell it is, they consider that these things are factual. He was a war hero. He did have these degrees. And that the government with a conspiracy against Scientology has gone in and altered all this information. Do you know what I mean? It's like, to continue their own delusion of what was what.

Now, at this point in 1980 were you still buying the story or would you concerned, you know, in terms of the validity of any of that?

G: There were a couple of steps in the process. Initially, I just collected the documents. Then I began to see discrepancies. And although I saw discrepancies I continued to believe that what he was writing about himself and what he had been saying was the truth. And that the discrepancies could be explained in some manner. Additionally, if there are only a couple of discrepancies and they're minor discrepancies, who cares. But, through the process of the accumulation of the biographic archive, in my study of them, I began to see that it wasn't just a few isolated instances but, rather, that he had -- that lying had been his pattern and that that's what was true about him. What was true about him was that he was a liar and that he appeared to think that he could lie with impunity.

J: What lies did you see specifically that you could enumerate a few.

G: The ones which were significant to me were the ones I think which had been used to draw me into the organization and which had kept me in the organization for all that time, and they were not just used for that but used to create a mystic about him which you could not penetrate, could not question. It was significant ones. If he had been crippled and blinded during the 2nd World War. That he had cured himself with Dianetics. That it was a matter of medical record that he'd twice been pronounced dead. That he was a nuclear physicist. Those, to me, significant representations, I was able to show in his own documents, not the government's documents, but documents which he maintained in his own archive, that they were false.

J: Gerry, how did you feel when this came to light? I mean, you're a loyal Sea Org member. You have worked for the last ten years as a Sea Org member working night and day very hard, giving your all, complete dedication, sometimes 16, 18, 20 hours a day. How did you feel when you began to find these things out and they began to dawn on you that this man



was a bigger liar than he was a purveyor a truth? This must have been the devastating thing to go through. You were loyal. There was probably no person any more loyal than you. You were one of the loyal Sea Org members.

G: Well, it was initially like I say, I just noted the discrepancies and carried on with my work. There came a time when my mind began to open. I began to see, and I began to question. That period of time was also a period of great confusion. There was also a period of time of some loneliness because there really was no one to talk to because I couldn't go to someone with a critical thought. I could not -- you could not talk and say the things that I had to say inside the organization.

Then there came a period of time in the fall of 1980. I actually had tried a couple of times. I'd gone to Laurel with some discrepancies, cause Laurel had been his public relations officer for many years. She knew the story. And I was saying, "Laurel, this isn't true. We can't say that." Well she got really angry at me and silenced me. So I learned to not say anything.

But there were a couple of points. One of them was contracting with Omar Garrison. And Garrison had a couple of very pro-Scientology books prior to my coming on the scene although he was not a Scientologist..

S: He was a huge ally of the church, in fact ...

G: He was a huge ally so again even with Garrison I couldn't just say, "Hey, Omar, you know, check this out. It's bullshit!"

S: I've connected the dots and it's scary.

G: Right. Now, it was a gradual thing with him, too. I would give him material and then we'd talk about it. Gradually I began to see that Omar understood, and Omar was an ally of mine, so we began to be able to talk freely. And that was another key to my getting out of the organization was... spending a lot of time with him, with his wife, travelling around the country in different situations outside the organization. And then going back into the organization and having that comparison all the time where you do, having the knowledge that I had, going into the organization and seeing the craziness inside and then going out of the organization and seeing that the representations the organization was making about the outside was another aspect of the big lie which was being run on us.

But, toward the end of my existence inside the organization, and also as I learned more I became, I guess, braver and



braver and braver. You know, willing to stand up -- it didn't matter any more. You know, you want to kick me out of this organization? See you later.

But I was still there, still dedicated, so I developed something of a cause during my last few months inside the organization of attempting to get the organization -- and, of course, I knew it would get to Hubbard and it was sort of a challenge to him, but initially to get the organization to change what it was saying.

S: I remember that part very well.

G: And I critiqued a number of the dust jacket material and the "About the Author" sections of the various books, and we'd go through them and line by line say, "This isn't true, this isn't true." Here are the facts." This we don't know. We can't document that. It sounds like bullshit to me. And so, I did that with a number of pieces. And I think it actually had a good effect up to a certain point, because they did actually change them and tone down some of the hyperbole.

S: Now, didn't at that point you also feel -- this is per my recollection cause I was a PR at that time and worked pretty close with Laurel and -- didn't you feel that despite the fabrications and despite the inconsistencies that there was still value to Hubbard? I think I recalled something about, "Gerry said that we could still do a biography and just make it truthful and still..." -- because LRH had contributed so much, just do a truthful thing, and his contributions would stand on their own. You didn't need all this fabrication. And you sort of had platformed this campaign, right, where you went over like a pregnant polevaulter...

G: Right.

S: ...as I recall.

G: It really, I think, ran his accomplishments and the technology will have to stand on its own. If it's going to stand, it has to stand on its own. We can't hold it up with lies. That's the way I still feel about it and I think it has fallen on its own. I don't think that it's workable and I think that it's an enforced technology. But that's sometime later in my development.

S: Now, by this time, you and Terry were no longer married and you had remarried to Joyce Brown.

G: Right.

S: Was your relationship with your wife at this time, where you were very vulnerable and feeling alone, was that any



solace to you?

G: Yeah. See, she came along in...

S: Another catch, dude. I mean she was such a doll-baby. She is such a doll-baby.

G: Yeah, she's a sweetheart. Initially, I'm working away on the biography project and she's up there in SMI, Scientology Missions International. And we connect. And you know what a Sea Org romance is like, you know. "Hey, gotta a weekend free, let's drive down to Tijuana and get married." You know it's that kind of a thing. I think I drove her down one week and got her a divorce and the next week got her -- married her, sort of.

But she was in much the same situation as I was, in, that, if you're free to talk to anyone inside the organization then, for one thing, the organization wouldn't be Scientology -- if people were free to talk it wouldn't be Scientology because that's the essence of Scientology is its lack of freedom. We at one point came to this realization that we could talk. So, just toward the end of our being inside the organization we formed something of a conspiracy of two. And so, knowing what we knew, and once I knew that I could talk to her and what she knew is she could talk to me, and we formed this little conspiracy...

J: It really wasn't a conspiracy though. It was open, honest communication.

S: Between a husband and wife.

G: Right, open and honest between us, but ....

S: But within the organization it would have been a conspiracy.

G: ...but conspiring to not let the organization know because they say you must talk open and freely to this sec checker but you can't talk open and freely to your spouse.

S: What?

G: That's the organizational paradox. So we violated that because when it came to sec checking it was -- I mean she had to go through a sec check toward the end of our Sea Org experience and by that time, I mean, once you know that the whole thing is a scam, anybody can con a sec checker, because you have a certain altitude. Go ahead and ask a question. I don't care.

S: That's right.



G: You know, it doesn't read. There's no more belief in that meter. It's just a pack of garbage.

J: Are you saying that the E-Meter is not 100% effective?

G: The E-meter is at best a worthless, anti-religious artifact.

J: Thank you.

S: Don't sugarcoat it honey, give it to us straight, ok? I mean, you know, enough of this pussyfooting around stuff.

J: You feel pretty strongly about that, don't you Jerry?

S: Yeah.

G: No, it's ... irrelevant. It has no meaning. It has no value whatsoever.

J: I think the value that it has is the value that the person holding the cans has...

S: Infuses into it ...

J: Yeah, places upon it because of what he's been told or shown.

G: That's not the value. There may be some value in answering questions. There may be some value of looking into one's mind. And --

J: I agree with what you're saying. I don't disag.. I'm saying the value that it has to the organization, not to the person.

G: Oh, yes. It has the same kind of value that thumbscrews had in another era.

J: Yeah.

S: Now, Garry, when you had all those documents and you had these boxes, did you not come across a lot of evidence in terms of not only inconsistencies in the fabrications that L. Ron Hubbard had presented to Scientology as a whole, but also things that made his past actually questionable in terms of maybe alcoholism or drug use or things that you came across that not only show him as someone who's made up these things, but showed a quite -- A man who was the antithesis of what had been presented.

G: Yeah. Yeah.



S: Tell us about that.

G: I began to see that his drug of choice in his later years were steroids. And he dosed himself with massive doses of testosterone and I remain convinced that that is what he used to keep an edge on his belligerence.

S: Interesting.

J: How did you come to find that out?

G: From his own writings.

J: Is there any way that we could look at those writings?

G: I don't know of any way of getting to them at this time.

J: Why? I know it's a simple question, but why?

G: Because the organization will not disgorge the true information which it has on Hubbard.

S: Do you think they've kept that information or do you think they've destroyed the information?

G: Both. So that there is certain aspects of what they've done and the criminal activity that they're involved in which they maintain and there're certain aspects of it which they destroy.

J: When you say the criminal activity they're involved in, do you think that the majority of Scientologists have any idea that that's going on?

S: The current Scientologists?

J: Yeah.

G: No.

S: Of course not.

J: Then?

G: When you talk about the majority -- the people at the top know.

J: Like David Miscavige and Norman Starkey and...

G: Yeah, and Gene Ingram? Sure. The people who control Scientology. And the lawyers. Oh, yeah, the Earle Cooleys of the world? Sure. They absolutely know that they're

involved in criminal activity designed to destroy civil rights of the members of the organization and the lives of anyone they perceive as enemies.

J: Can you give me two examples of civil rights that Scientology has violated?

G: Freedom of association, freedom of speech, freedom of religion.

S: Just to name a few, honey.

J: Ok. Yeah. I mean, thanks because...

S: Gerry, keep going.

J: That sort of thing I think is important. Most people don't realize that that's what's going on. Most people have no idea that that's going on. Did you feel like you were manipulated while you were in there?

G: While I was in there I don't recall that the subject of manipulation crossed my mind. I don't think I could have allowed myself to think that I was being manipulated. But...

J: Did you ever feel that way?

G: I felt absolutely controlled. But my understanding of the manipulation, the coercion, comes later.

J: After one pulls back and views it from the outside.

G: Yeah, well, I mean, technically I was inside but I had really begun to deprogram myself and so...

J: Did you tie yourself up? I mean we all know about deprogrammings. You get tied up, and ...

S: ... sexually molest yourself.

J: Did you tie yourself up and sexually molest yourself?

G: Oh, I mean, deprogramming has to do with that subject of manipulation. While you're programmed you don't know that you are being manipulated. When you're deprogrammed you realize that you have been manipulated.

J: So in order to be deprogrammed, one has to be programmed.

G: Yeah.

J: Deprogramming doesn't work on somebody who hasn't been programmed.



G: I would think that's true.

J: Yeah. I would think so too. I would think so too.

G: Accepting the word and the definition.

J: When did you leave?

G: December '81.

J: Why?

G: It was time to go. (laughter)

J: Would you tell me a little bit more about that. I mean, I believe what you're saying but not everybody knows the Gerry Armstrong story. And I think a lot of people might be most interested.

G: Ok. Well, I came to the point I guess a couple of weeks prior to that and I had been very vocal on the subject of the lies, Hubbard's lies, the organization's lies and the organization's activities. And my vocalness had come to the attention of Norman Starkey. Norman Starkey at that time was on a mission operated by David Miscavige, the purpose of which was to take care of Hubbard's legal problems so that he could come out of hiding. And Starkey one day came into my area, Hubbard archives area, and we had a conversation. And he accused me of saying things about Hubbard which were untrue. And one of the things he said was, Hubbard -- he wanted, Starkey wanted, to charge the PRs through the ages with creating the lies which I have documented.

S: Well... now hadn't that happened to a large extent? Did Lizzie and Laurel -- for a period of time, I don't know what happened to the whole thing, but they took the fall that they had made it up and they had written these falsehoods about L. Ron Hubbard.

G: But they weren't around in 1950 and 1952 and 1965...

S: No, but they were the ones who -- they had written down the biographical information on L. Ron Hubbard, how it was dictated to them by L. Ron Hubbard, per my recollection.

G: But they were not there. If you look at -- what's the book on the atom bomb, the nuclear physicist's book -- "All About Radiation". If you look at that book and if you look at the bulletins that were written in that era it says, L. Ron Hubbard, a nuclear physicist. Lizzie wasn't there. Laurel wasn't there.



S: That's true. That's so true.

G: How can you say -- I mean, it's like one thing to make those people scape goats, but those people weren't there in '56. Laurel wasn't old enough to be there in '56. She was in our generation. I mean, you know, we're the 60's. We're the baby boomers.

S: Lizzie certainly wasn't there, either.

G: Anyway, what I did was show Starkey in Hubbard's handwriting where he had called himself a nuclear physicist and Starkey just went silent and he stormed out. And a short time later I was called down to Gilman Hot Springs.

J: Do you think he had a major ARC break?

G: No, I think that he recognized that everything that he had put his life into for so many years and had done so many rotten things and attacked so many people in defense of. That he saw that that hung in the balance and he had to go one way or another. So he chose to close his mind. And he wrote to the ... one of the executives of La Quinta ... Gilman Hot Springs and requested that I be sec checked.

J: This is the Golden Ere Studios, or Golden Era Studios.

G: Right, but at that time -- I'm not sure what it is now.

S: No, cause it's at Gilman's.

G: CMO headquarters...

S: This is at La Quinta.

G: No, this is Gilman.

S: Oh, this is Gilman, ok.

G: Yeah, this is -- CMO headquarters, in any case. And so I went -- I was called to Gilman and I spoke to Cirrus Slepp. And she asked me about -- she actually showed me Starkey's report on me. And I said that I -- you know I was quite open with her.

S: Now Starkey reported that you had fabricated this information?

G: No, Starkey reported that I was criticizing Hubbard and he wanted to find out what I had been saying and what documents I had been giving to Omar Garrison because I'm working closely with Garrison, and if I'm giving Garrison documents showing that L. Ron Hubbard claimed to be a nuclear



physicist and L. Ron Hubbard lied about being a nuclear physicist and Starkey knew about many more lies...

J: The cat would be out of the bag.

G: Right. So he wanted -- they wanted to keep a lid on it. Cause his job, of course, is to continue the myth of L. Ron Hubbard. Starkey's put a whole life into doing that. He's dedicated to that illusion.

J: Starkey got into Scientology in the 60's in South Africa. So he's been in a long time, probably 30 years.

G: Yeah

J: That's a long time to put in. It's at that point 20 years.

G: Right. And he was in a position of power. And he liked those positions of power. And this is, of course, some kind of a threat. I mean, here's just some guy down there making all kinds of noise and essentially calling L. Ron Hubbard a liar.

J: You know, one of things that always... I'd always thought about in Scientology was the is-ness, as-is-ness, alter-is-ness and not-is-ness. It says in order for something to survive or continue there has to be a lie in it. And the question that always came to my mind -- the first question that always came to my mind is, for Scientology to continue it must have a lie because it says so right here. In order for anything to continue it has to have a lie. So I always wondered what the lie in Scientology was.

G: The lie is that is Hubbard's philosophy. Hubbard's philosophy is flawed. It is a corrupt, dishonest philosophy. And he was a corrupt and dishonest man.

J: You must hate his guts. You must hate his guts for a person who's ... for a person who's been loyal...

G: That which will survive is that which can never be altered. That which is altered and that which is hence unreal, that which is a lie, will not persist. Now you can try and Hubbard can try but you will not get lies to persist.

J: That's true because there's always some truth under there and they'll pull the truth out and it's fixed full of lies.

G: The truth will be there no matter what you do with it.

J: We need to go eat lunch, or dinner?

G: Oh, ok.

J: So I think that you have an appointment.

G: Yeah.

J: Before we do that, let me ask you two quick questions.

G: Ok.

J: You left in '81.

G: Right.

J: You were sued in '84.

G: '82.

J: '82.

S: Jerry?

J: It went to trial in '84.

G: Right.

S: We should just pick this up, because...

J: We will.

S: Ok, I just wanted ...

J: We will. But, I just want to get this on here. They lost the suit against you.

G: Right.

J: In '86.

S: Big time.

J: In '86. They sued you in '82. Went to trial in '84. In '86 they settled out of court with you.

G: Right.

J: For hundreds of thousands of dollars, if my sources are correct, and you don't need to verify ... or hints at all, if you can let us -- if you want to, it's fine. But there's no reason to give anything. If my sources have been correct you got \$800,000. You -- Scientology paid you \$800,000 because you knew the truth about L. Ron Hubbard. You knew the truth. And you have been harrassed and you've followed. You've been lied about. You've had people watch you 24 hours



a day for weeks on end. You've had to go through extreme mental pressure today, yesterday, even. Gene Ingram says things to you like, "Gosh, Gerry, you look like you have AIDS," when in fact you're a very healthy person and you're a marathon runner. And it's...

G: Right.

J: Settlement aside, but, these other things are correct.

G: Right.

J: These guys are still harrassing you.

G: Right.

J: And you were a loyal, loyal, Sea Org member. Never in your wildest dreams did you think, when you got into Scientology, and you dedicated your life to this, if ever they had put you in this position.

G: Right.

J: Thanks. Can we continue this?

G: Yeah.

J: Thanks.

G: Thank you.

[RESUME TAPING]

S: Hi Gerry, you left in '81.

G: Right, December '81.

S: Can you tell me what led up to your departure from Scientology?

G: Sure. I had come to the conclusion at the end of '81 that the organization was not going to reform its ways, it was not going to correct the lies L. Ron Hubbard had told about himself. L. Ron Hubbard was not going to correct the lies he'd been telling about himself. The organization was not going to change its -- what I considered -- criminal and anti-social behavior. And I knew that my days were numbered, that I could not continue to be in the organization taking the stand that I had been taking, being vocal on the subject of Hubbard's lies. So I really was faced with only one choice to make and that was to leave. So, I carefully, cautiously, and over a period of a week or ten days removed my few belongings and my wife's few belongings out of the



building and we cleaned our living space before we left. Left the few pieces of Sea Org uniform that I had, and we drove away.

S: I see. Now didn't you at this time do something rather brazen which is like -- didn't you keep some of the documentation for some period of time and send copies to the church or vice versa kept copies and sent stuff back to the church?

G: No.

S: No?

G: No, I didn't. I worked very diligently and my wife Joyce -- and Jocyn -- worked very diligently for the last couple of weeks copying whatever we could copy of the documents which I had in archives, many of which I had already copied and already provided to Omar Garrison, but I was dedicated to Garrison. I sensed, or knew, that whoever took over the biography project after I left, and I assumed that it was going to be Vaughn Young, because he'd been working with me on the project at that time and it was my expectation that he was going to take over the project, that the organization once I left would not allow Garrison the access to the materials that I had so my dedication to him, my dedication to the biography project and my dedication to the attempt to bring to light the truth brought me to copy everything I could, and what I couldn't copy and all the copies that I had remaining, I took to Garrison at the end. So I provided them to Garrison and then Joyce and I drove up to Canada. And at that time we were completely documentless. I did not have any documents. Didn't do anything with the documents for a period of time.

There came a time some months later because I began to work for Garrison outside the organization that I, at his request, copied a lot of the copies which I had given to him because he wanted to set up a separate archives because he felt that the organization was going to burglarize his place and steal the materials that I had provided to him.

So, that second set of materials was what I then provided to Mike Flynn, or sent to Mike Flynn, after I knew that the war with the organization had started, in the spring of 1982.

So, the organization's claim that I stole all these documents -- that's simply not true. I was under contract to provide the documents that I could to Garrison and I performed pursuant to that contract. It was only as a result of the organization's declaring me an enemy -- I knew that I was then fair game. I knew that the battle had been engaged. And I took it as what was the only sane thing to do. Anticipating a legal battle. In fact I was told to get a lawyer. I did.



I got Mike Flynn.

S: Okay. And so, then, how did it progress from that point, the legal battle?

G: Through the spring of '80 -- late spring of '82 and into the summer I provided sets of documents as I was able to get them from Garrison and copy them. I sent them to Mike Flynn. Some of the documents that I sent were some of the originals which I had provided to Garrison.

Some of the originals I provided to Garrison because he needed, or, we felt, that it was very good to have originals because he was considering including copies, photographs of the original documents in the biography, some of the things which were in Hubbard's handwriting and on the original paper would have been great included in the biography. So some of them he had for that reason. Some of them he had because I just didn't have time to copy them. It was our intention that Garrison would copy them and he'd provide -- give the originals back to the organization.

But some of the documents were originals, but most of them were copies which I provided to Flynn.

S: Now up to this point Mr. Garrison had been, as you'd stated before, an ally of the church. And Did he also -- was he becoming disillusioned with all this newly discovered information?

G: I think he was -- he wasn't probably as illusioned as I thought he was. He really was an intelligent man living on the outside of Scientology, and had provided as a writer a service for them in doing the books that he'd done. But he thought his own thoughts and he was independent of Scientology. And he is a -- he's a fighter in his own way, so he had already had his own battles with Scientology just to arrive at the products that he'd done.

So it came to him as really no surprise. And It was a surprise to me that it was no surprise to him. He was pretty real about the whole thing. But, he did begin to understand that he had possession of very sensitive documents and that the organization would then consider him, if not an enemy, certainly a major security threat in that he possessed these very sensitive documents.

S: Okay. So, you went to court. The Church filed suit against you, am I correct?

G: Yeah. August '82.

S: You countersued.



G: Right.

S: This was a big suit. I mean this was well covered in the LA Times. This was like a very big, visible suit. Can you tell me how that progressed and what the outcome was? And who all was involved?

G: Sure. They sued me in August of 1982 seeking to recover the documents which I had sent to Mike Flynn, and seeking damages. And the causes of action were conversion. They considered that my providing -- initially they claimed that my providing the documents to Omar Garrison was conversion because they did not know at that point that I had retained a copy of the contract to show that Garrison legitimately had the documents and that I legitimately had given Garrison the documents.

I defended the suit initially by stating that the documents were not the organization's documents but were L. Ron Hubbard's documents and L. Ron Hubbard should bring the lawsuit but L. Ron Hubbard would not come out of hiding, and he was afraid to come into court. So then Mary Sue Hubbard intervened on his behalf. And she claimed a proprietary interest in the documents.

That was the initial stage of the lawsuit. The judge in Superior Court -- I think it was Judge Coale, then ordered the documents which I had provided to Mike Flynn and to my other lawyers Contos and Bunch in Woodland Hills -- he ordered those documents be delivered to the court and they stayed within the possession of the court through the lawsuit, through the pendency of the lawsuit up until the time of settlement which was December 1986.

So, they initially sued me, and then I filed a counterclaim for the intentional infliction of emotional distress and for fraud. That then, the two cases were bifurcated -- they were split apart so that initially all that got tried at my trial, at the Breckenridge trial in the spring of 1984 was their lawsuit against me. And out of that came the famous Breckenridge decision in which he found that because of my knowledge of fair game, of organization intelligence operations and of the fraud of L. Ron Hubbard that I was justified in going to Garrison, getting the documents that I knew about and sending them to my lawyer. So ... That was the result of that trial.

My case against them...

S: Was that a jury trial?

G: No, judge trial. My case against them did not go to trial



because that was settled. It was scheduled to go to trial. At one time in December of '86, then in early 1987. And in large part because it was scheduled to go to trial the organization settled it.

S: Now I know a lot of other executives at the time sort of -- I wouldn't say rallied around you, but, but, came to witness against the Church during this time.

G: Right.

S: And that was a big thing at the time, right, because these were some of the senior most executives of the church.

G: Uh huh. Laurel Sullivan who'd been Hubbard's public relations officer whose history went back with him through the Sea Org. Bill -- sorry, Bill Franks wasn't there. Homer Schomer. Eddie Walters.

S: Kima, didn't Kima..

G: Kima testified. Nancy Dincalci. So a number of them were, really my friends. People who I'd known inside the organization and outside the organization. A group of friends who were quite close to me and who had the courage to come forward and testify.

S: That's great. Now, your suit settled and -- bring us up to date to this point as well as how you feel retrospectively about the whole situation, what, you know, what would like to do now, are you under a gag order presently? Are you not?

G: I'll give you the history.

S: Ok.

G: So in, From 1984 after the Breckenridge decision there were a series of events -- operations that the organization mounted against me to compromise me, to set me up, to get me charged with false criminal charges, any number of things. The onslaught...

S: 1984, that was during the trial -- during your case or prior to your case or after your case?

G: They began before -- in 1982 they had PIs on me, I was assaulted, I was driven into. They tried to get me in a highway accident. They harrassed me day and night for well over a month. Then as a result of the court's comment about this kind of activity, they backed off. They kept up the legal onslaught and they deposed me in any number of cases and within my own case. And they ran operations against me. You okay?



S: Yeah.

G: But it was really after my trial in 1984 when they escalated the war. They sent around my friend Dan Sherman. You may know him. And I liked Dan. We were really close. And we hung out a lot. But the whole thing was an operation to get Dan close to me so that I could be set up. And what they tried to do through Dan was to convey to me the idea that there was a group of people inside the organization who wanted to reform it, who wanted to get rid of the criminal element at the top of the organization and have it revert to its pre-Guardian's Office, pre-criminal days. Get rid of the criminality.

S: Now, so at this point, were you supportive of that effort, on Danny's part?

G: Well, at first all it was was him telling me that there was this group of people and then he would send me messages from them. And then gradually I built up a relationship with them. These people claimed to be a core group of 35 people inside the organization who were working covertly because of their fear that should it become known that they wanted to reform the organization they said they were afraid for their lives.

S: So at this point despite everything you knew about Hubbard you must have had some faith in the technology of Scientology. Or am I wrong? Am I mistaken? I mean if you thought well we can restore this organization to its original intention to be, you know, this may be humanitarian group or maybe this ...

GA: No. No, it's more like downstairs here there could be any number of Catholics, Protestants, Jews or whatever, but I support the cause that they're involved in. It's that sort of way. I did not consider myself a Scientologist, but, if Scientologists want to continue to be Scientologists and at the same time clean up the criminal element in the organization I can support that without myself being a Scientologist. So I supported their intention of reforming the organization. And I didn't know who they were. I'd never spoken to them so it was sort of a support from a distance -- there was nothing to do. He was relaying this information to me.

Then they initiated a dialogue with me. They wanted to communicate with me. And they would send messages via Dan, the message that they really respected me for what I did, the integrity that I showed during the trial, and so on. I got a phone call one night from one of these guys just after the trial and just the day before I was to fly to London to



testify in the child custody case, the one that Jolly West quoted from today, the Latey decision came out of that trial. I went over there and testified. Well the night before I received a telephone call from one of these people claiming to be one of the 35 Loyalists. And he said, "We can get your pc folders. We know you want your pc folders. We can get them for you." "Oh, ok. What do I have to do?" "Oh, well you'll have to drive to a certain place in Los Angeles..."

S: Griffith Park.

G: No, this was a different -- I never went, I never bit. I never rose to the bait on that occasion. I said, "Well, to me this could be construed as accepting stolen property and it also could be an attempt to get ... to stop me, because of the times that were involved, to stop me from flying to London, cause they did not want me testifying in the trial. I said, "As much as I'd like the pc folders I can't do it." In any case I flew to London and testified. There, in London, I was harrassed at Heathrow Airport by private investigators. And they, in fact, wrote sworn affidavits that I was observed passing sealed documents to a bearded Arab in the Old Cock Tavern, pardon me, on a particular Tuesday night. I had in fact been at the Old Cock Tavern for lunch on the day previous but I was not there now on a Tuesday night. And the whole thing was concocted, but that's true to form of Scientology, you know, manufacture evidence. So they ... a Scientology operative will swear to anything. The fact that it's a sworn affidavit doesn't mean anything. But it was just another piece of the ongoing operation to compromise and set me up.

I returned to the U.S. and then I was contacted by two people. One of them was David Kluge, who I only knew at that time as Joey. And the other one was Mike Rinder, who I'd known from inside the organization in the Sea Org. And both of them -- and all of this was video taped, illegally, covertly, by Gene Ingram. And I didn't know at the time and I talked to them like I ...

S: This was the meeting in the park.

G: Right.

S: The famous meeting in the park.

G: Right. And there were a series of meetings in the park but I talked to them like I talk to you and I -- you know my language was atrocious. I made bad jokes. Just rotten. I had a foul mouth at the time. But I was also -- you know, I mean, I could pick up that there was something weird going on because what they would tell me off camera seemed to be so different from the questions that they're now we're sitting on a park bench and they're talking to me. And I'm ... was



completely open about the whole thing, but I also knew that there was something weird about it so a lot of what I'm saying on the video tape reflects that aspect of the thoughts that are going through my mind about how strange this is.

But there are some really funny things that occurred. If you've never seen the videos, they're very, very funny.

S: You know, I on't know, Gerry, that the videos were ever shown. What I do know is that a transcript of these meetings was published in Freedom News Journal.

G: Right. A part, part of it.

S: In part. But it was very interestingly written because it would say -- it would have a quote and it might be a sentence, and then it would say, "And then he said..." and the rest was all just like editorialized, "And then he said this and this and de-de-de-de-de-de-de-de-de-de." And then there'll be another quote. And I thought, "Well, if he said these things why didn't you just publish the dialogue? Why are you giving me your interpretation of what he actually said?"

J: True to form.

S: Of course. It amused me. I was still involved in Scientology. Still a believer. I saw this. I have to tell you, this shook me, cause I went, "This is nuts." Who could ever believe this article? And I was truly, truly committed to the organization at this point. But it really made me go, "Please, this so discredits them. Why would they do this this way?"

G: When they first broke the videos in 1985 up in the Christofferson trial, before they were shown to the jury the judge viewed the first two videos. And he viewed them in his chambers, then he came back out and he said, "These are very damaging, damaging to the church." Right. And they polled the jury after the trial. And they said that the video tapes of me only proved one thing. And that was that fair game was alive and well in 1985.

So, the Scientologists are so blinded. Here's the way I think it went down. People are reporting to Hubbard through this time that they have an intelligence connection to Armstrong. And Hubbard hates Armstrong, you know, cause I've been saying all these things. And they've been telling him that I took the documents.

S: Pull back the curtain.

G: I mean, out of what I did came the Breckenridge decision



which stated, "This guy is a paranoid, schizophrenic." I mean just the worst thing that he ever wanted to hear. But true.

But they -- the organization could never tell Hubbard the truth. And Hubbard could never hear the truth, so there's a perfect situation there for Hubbard to get partial truth and it always happened inside the organization, then he would issue an order. He would issue an order, in this case, like, "Get that into evidence. That'll destroy Armstrong." Because they're telling him, "We've got video tapes of Armstrong saying 'this,' and of course, they take one line out of context." But that's the big win that they want to convey uplines to Hubbard.

And of course, Hubbard doesn't get the whole picture, but now he has issued an order. And now they have to jump through the hoops to get those video tapes -- illegally taken, and the judge stated up in Oregon, these things are illegal. But they fought to get them in. And after the judge said they're damaging against the church, does anyone care? I had to go through the incredible embarrassment of my foul mouth, and I didn't know, you know, did I pick my nose, you know -- how did I? You know there's four hours of video tape I was just -- I was a total jerk.

S: (Laughter)

G: But I understood after a while I really -- it was terrible to me. Up in the Christofferson trial. When I knew that my friend, Dan Sherman had set me up, that the whole thing was a set-up, that they'd video-taped all of this stuff, the betrayal was so awful to me. I was suicidal for just days. I walked out of the courtroom. The judge got rid of the jury, sent everyone home, and he was busy watching these things in there. And I'm sitting, I'm alone out there in the courtroom for an hour and then someone, one of the Scinos' lawyers walked in and made some complaint about me even staying in the courtroom and so I walked outside.

And we were on the third floor of the courthouse. And there was, you know, the stairs came up like this onto the third floor and then they went around like that so there were two places where you could look down three floors onto the marble floor below. It looked just hard enough that it would do the job, just smack! I really considered it for a long time. I walked over to the railing of one of these areas and I looked down, and I was just contemplating just ending it right there. Then I realized that down below was a set of pay phones and that, you know, someone crossed over there to the payphone and I realized, you know, here I go to end it all and I take some innocent guy out walking to the payphones, so I couldn't do that so I walked over to the other one, thinking well, you



know, here's an opportunity. And there was a bank of Coke machines. And so, you know, just out to save some other poor guy, I didn't take my own life at the time.

But it was horrible. I just ... I came just so close. And I... My heart -- there was incredible pain. One night I just couldn't sleep and there was this pain and I just couldn't breathe. Awful! It went on for some days over a weekend and then into the next week. I think they had me on the stand for 10 days, 7 or 8 of which were cross-examination with the great Earle the pearl Cooley. Anyway ...

So that's what happened in 1985 and they just continued after that. Then they culled my pc folders. And they sent all the most scurrilous stuff out of my pc folders. And they put that ... filed the stuff in my case in LA Superior Court.

S: Well, you had to have of known that that was going to happen.

G: Well, I mean, you get a sense but you really can't believe it until you see it. And then you can't believe the twists that they and their lawyers put on it. You know and there was this dream I had. I had a dream up in Portland in '85 and I sent it... I've had very few memorable dreams in my life and only one or two of them have I ever written down. And this one was so vivid and so memorable that I wrote it down. And I wrote it, I think, very concisely. It was some of my very best literature because it is really tight and really good. It's also really foul. The language and the concepts are just grotesque. But it was a great dream. And I sent it to Dan Sherman because he's my literary buddy. It ends up the Scinos get it and they got that! And they want to put that into evidence in the ... the Christofferson trial!

That one; that one followed me this last year it showed up in Johannesburg in South Africa. The organization provided it to their lawyers over there to attack me with. A dream! And they twisted that -- that the fact that I had a dream was the proof of what a perverse, distorted guy I was. Anyway...

So, there was a series of things. When I first arrived in Boston, in September of '85, well October '85, they brought criminal, they attempted to bring criminal charges against me with the FBI for impersonating an FBI officer. Five times they brought either flat out criminal, or quasi-criminal contempt charges against me. And they tried the same thing in Marin County.

S: Gerry, let me stop you here for a minute. What motivates you. I mean, why on earth wouldn't you say, "I did this. I messed up. I made a wrong choice. I'm just going to go away now. And have my life and just ... you know, I have my wife



and I have our birds or..." whatever you guys had at the time. I don't remember. I used to get Christmas cards from you guys -- I think you had birds or cats or something.

G: Yeah! We had birds. That little guy could talk.

S: Nicky?

G: Mikey.

S: Mikey.

G: Right!

S: That's right.

G: Anyway, there was a period of time, December '86. It was the time of the settlement. And we'll get back to the settlement in a minute.

I felt that I really could get on with my life. And I could do a number of other things. I began to, I mean I'd always written, but I wrote seriously. I drew seriously. I spent a lot of time doing my things. I had my own life. And I maintained communication with my friends you know, who I did not disconnect as a result of the settlement. The organization may have felt that I should have or had to or that I was contracted to but I didn't do that. But I really had my own life and I wasn't involved in anyone's litigation. And I didn't have to do anything about them for a period of time.

But the organization couldn't quit. They couldn't let the Breckenridge decision stand. They couldn't let my image stand, whatever I represented to them so they continued their attack. They continued in a false -- what they call a Dead Agent pack that they put out against Bent Corydon in 1987. They did it in the Russell Miller case, in London in 1987. They filed 8 absolutely false, scurrilous affidavits regarding me, specific to me in that case.

S: And this was post-settlement agreement.

G: Post-settlement agreement. Gene Ingram provided an edited version of the video tapes -- the illegal video tapes to the London Sunday Times.

S: Now let me ask you something? In this settlement agreement, does it clearly state that this was not allowed? In the settlement agreement? I mean, were they thus in violation of the settlement agreement?

G: In my opinion, yes! Because the settlement agreement,



unless it worked two ways, didn't work at all. But if it was only one-way, then they relieved me of any duty to perform by their doing that. In other words, they cannot -- if the settlement agreement is only a lop-sided, one-sided settlement agreement, that's fine! I honor it and I'm silent. And I don't do anything to violate it. Then everything works fine as long as they don't. But as soon as they, in a new, as they would say, unit of time do something, I clearly have the constitutional right to respond and speak out. They waived the right. They had to remain silent whether it said they had to remain silent or not. Additionally --

S: Did it say? That they did? I mean, was it one of those agreements that Okay, we're just going to both let by-gones be by-gones?

G: That's exactly the words in it, yes! Anyone would interpret it that way. And anyone did. But they interpret it by saying --

S: You should let by-gones be by-gones and get over it but they didn't have to.

G: Not only that! That they have a right to say whatever they want and I must remain silent even if they can say that I was an ax murderer. And I must remain silent? It doesn't work. But not only that, I realized that my silence was in fact an obstruction of justice. Because all of those people who depended on my testimony, and I have great testimony regarding the fraud of Scientology, was vital to anyone who'd been defrauded by Scientology. So I felt that I really have a right and a duty now to stand up to the organization. I did not --

S: So you were feeling like you were getting over it and you wanted to leave it alone and you wanted to get ahold of your life, for a period of time until they began to lash out at you, at which point you said, "Hey, I don't need to lay down, for you to run over me."

G: Well, there was a series of -- even though they published the Corydon Dead Agent pack, even though they published the material in the Russell Miller case in 1987, shortly after the settlement agreement, I didn't do anything. And I didn't do anything until I got a series of telephone calls from Larry Heller, organization attorney threatening me with law -- with being sued if I were to even testify pursuant to a subpoena. So I knew at this point, "This has gone too far." And what happened was I was subpoena'd to testify in a deposition in the Bent Corydon case. Toby Plevin subpoenaed me. Now I had maintained some communication with Bent because he is my friend. I had not assisted him in any way in his litigation



because I had agreed not to do that but I knew that if he subpoenaed me, that that was senior to whatever settlement agreement existed.

Another aspect of the settlement agreement that you should know, was that I was told before signing it by my lawyer, Mike Flynn, that it was "not worth the paper it's printed on. You do not have to obey this. It cannot be enforced." So I signed in large part because Mike Flynn said that.

Now, in addition to that, Mike Flynn had told me through time -- and I had grown to understand that 1) the organization had attempted to assassinate him 2) it had destroyed his marriage and 3) he had to get out of the litigation for those reasons. So I was faced with, if I don't sign, then all of these other people don't get to settle, my lawyer can't get out of the litigation, it's going to go on forever, and in addition to that, I've been told by my own lawyer it's unenforceable, it's not worth the paper it's printed on. So sure, I'll go ahead and sign this thing and I will even attempt to honor it knowing that the only hope for a settlement with that organization is if they do change their spots if they do indeed turn over a new leaf, and if they do indeed repudiate fair game. They haven't done it. Hence we now are again locked in battle.

S: Now what is your present litigation with the Church of Scientology?

G: They brought a lawsuit to attempt to enforce the settlement agreement. Out of it ... in May of this last year, there was a hearing here in Los Angeles, in Superior Court, in front of Judge Sohigian. The organization claims that they got a great big win out of it and that I am enjoined pursuant to the settlement agreement. Not true! Judge specifically said that he would not enforce the settlement agreement other than one very narrow issue. The very narrow issue is that I cannot except pursuant to a subpoena, assist someone intending to file a claim or pressing a claim against the organization. Now that we are appealing even that narrow ruling, because that's unenforceable because if you construe that my... that this video could possibly indirectly help someone in the future, I can't do this. And not only that but if you consider that my existence indirectly or directly helps someone, then I am obliged to take my own life. In other words then I must stop breathing. It's unenforceable hence I feel that I am completely at liberty to associate with whomever I want, to talk to whomever I want, and I act in life that way.

And that is in part why I am here at this event now, why I came to the CAN Conference.



S: OK, so what are your further plans? I mean, you're doing great, now. You've got this luxurious long hair.

G: I want to run a 236 marathon.

S: 236 what? 236 yards?

G: 2 hour and 36 minutes marathon. And I want to..

S: That's what you do, you run.

G: I run. So I want to do that. And I want to end the litigation and I want, you know, peace for everyone. I want to reform the economic system of the world and that's mainly it. I don't have any designs on the U.S. presidency.

S: Presently.

G: No, I can't have, I'm Canadian.

S: Oh, That's right.

G: OK are we done here?

End of Tape.







December 22, 1992

David Miscavige and all other individuals who participate in the control of Scientology  
C/O Laurie J. Bartilson, Esquire  
Bowles & Moxon  
6255 Sunset Blvd., Suite 2000  
Los Angeles, CA 90028

Re: Nothling v. Scientology

Dear David and all others involved:

I am writing this to you, and the various copy recipients listed below, because there are certain things it is fair that you know. Although it is the trial in the Nothling case, which, I understand, is set for early February, that has moved me to write at this time, the idea of writing has made addressing a number of other subjects also timely.

You will recall that in June of 1991 when Malcolm Nothling called me and asked me to testify in his case in Johannesburg I wrote to the organization via Eric Lieberman to see if by initiating communication on the subject you might see that there was an answer to your litigation problems different from the one you and your erstwhile leader had been believing in and pursuing as long as any of us can remember.

Mr. Lieberman wrote back, essentially advising me you said stick it in my ear, and that more, not less litigation was going to be the same old solution; and to not expect communication other than the solidest of sorts. Copies of Mr. Lieberman's and my letters are enclosed herewith.

I did travel to South Africa in 1991 to testify, as you know, but the trial was postponed on the organization's motion. Now it's set to happen again. Again Mr. Nothling has asked me to testify, again I have agreed, and again I am writing you to see if there is any sense in attempting to unfoment this litigation.

Your public attack line that Gerald Armstrong foments litigation against you is particularly hurtful because of what I have done and continue to do to unfoment litigation. Even my signing of your settlement agreement was, in the face of your intent to hurt me, which fact is settled by the agreement itself, an act only of unfomentation.

You all should take a good hard look at the hurt your practices, certainly your litigation practices, cause in the world. And you don't have to desist in them because of anything I've said. You can knock off those bad practices for any reason you want, including because they don't work and make no sense.



All the decent people, believe me, in your organization want you to get out of the stupid attack-the-attacker business, and they'd salute you for getting the organization out of that silliness, but they're too frightened. You shouldn't frighten good people that way. It's cruel. And any thinking soul knows that you guys are only acting out of fear, so you really are not fooling anyone with your blindness and bluster.

I realize you've put your faith in really bad things, like lies and PR, threats and bullying, and really mean people, like Gene Ingram. And I'm aware that having put your faith in badness for so long, and spent so many millions of dollars to have so many bad lawyers make so many bad decisions and add so much to their brethren's bad name, it can seem impossible to quit. But you must. All it will take is the willingness to unfoment your litigation.

Eugene M. Ingram has done such nasty things to so many people in the service of your organization, you and he should be spanked. His terrible charge at the CAN convention that I have AIDS is heartbreaking, not because I have AIDS, which I don't, but because your pet pit viper personalizes and focuses your organization's institutionalized hatred.

By accusing me of having AIDS, you and Ingram attack not just me, you attack the many people whose lives have been touched by this disease, or for that matter touched by your organization, and you attack yourself. Your similar-veined attacks on other people of good will at the CAN conference, like Father Kent Burtner, has brought your organization to ignomy.

But the target of faith can be rechosen. And that is where I urge sense and unfomentation. Put your faith in what is real, what is true, what can always be depended on. Put your faith in what in people is true, unchanging and ceaselessly loving. Putting your faith in lies, PR, threats, bullying and bullies you will always betray yourself because you put your faith in nothing; and you and every being everywhere have a right to everything that nothing isn't.

Likewise don't put your faith in litigation or your use of the courts to harass. It is possible to be faithful to a higher ideal than wins in court. If you have put your faith in lies, leverage, advantage and bullying to secure a win, you have gained nothing. If you put your faith in truth, hope, charity, love, no matter the courtroom outcome you have everything; that's religion.

Since the 1991 almost trial in the Nothling case the California Court of Appeal issued its opinion in the appeal you took from the Breckenridge decision in Armstrong I, the California Supreme Court denied review, and the Court of Appeal



denied your motion to seal the appellate record. You brought and lost the motion to enforce the settlement agreement before Judge Geernaert in Armstrong I, and then you sued me to enforce it in Armstrong II.

In May Judge Sohigian issued his ruling refusing to enforce the agreement, although enjoining me from testifying unless pursuant to a subpoena. He also ruled that I did not have to not make myself amenable to service of process. I will supply a copy of the Breckenridge decision, the Armstrong opinion and the Sohigian injunction to any of the recipients of this letter upon request.

Because you didn't appeal from the Sohigian injunction, you have accepted it. I believe as well that for a valueless desire for a valueless win at any cost you also accepted his dicta; e.g. "involves abusing people who are weak," "involves techniques of coercion," "a very, very substantial deviation between [your] conduct and standards of ordinary, courteous conduct and standards of ordinary, honest behavior," "be sure you cut the deck," "make sure to count all the chips."

As a result, I consider myself free to do anything anyone can, except testify absent a subpoena. Much of what I am permitted to do I am going to do. I am going to write freely, speak freely, publish, talk to the media, associate freely, and continue, until you put your faith in something more religious than what is bad in jurisprudence, to confront the injustice you bring to court.

In the next month or so I expect to initiate speaking or media events to help pay the enormous costs of this litigation. And I expect to promote my legal position within the publishing industry, because my story and my writings on the subject are literarily and commercially worthy.

I will continue to associate with and befriend all those people I consider you attack unjustly and senselessly. I will make my knowledge and support available to the Cult Awareness Network, a group of people of good will you vilify, in all the litigation you have fomented against them. I will make my knowledge and support available to any Scientologist who is afraid to go anywhere else for understanding, and to the families of Scientologists your organization has estranged. I will even make my knowledge and support available to entities like Time and people like Rich Behar in their defenses from your attacks.

I will, nevertheless, remain available to do whatever I can to unfoment your litigation. I will meet with you, talk with you, help you to find a better solution to your problems. Because of your decision to not have anyone communicate with me, no one from your organization has. I get a little lawyer



contact, lots of PI BS, an OSA hearing or deposition attender, enough psychic skirmishes for an army, but, for the life of me, no real people.

In 1991, fantastically, I was the only person in the world, other than Malcolm Nothling himself, who was willing to testify at his trial. And that was enough reason to go. In February 1993, although at this trial I probably won't be the only person willing to testify, there will still be ample reasons to go, unless the case can be resolved.

I really would rather there was no trial and I really would rather not go. Lord knows this last period has been overwhelming and the litigation behemoth terrifying; and Lord knows I have my own calling, which has nothing to do with your legal problems. So I'm willing to do a lot to unfoment the Nothling litigation, and all the tangled legal webs you've woven. But I sure can't do much if you continue to see legal warfare as the solution to your problems and continue to pay the millions your legal mercenaries say the warfare costs.

I am aware that with enough money to enough lawyers you, the leaders of your organization, can hide yourselves and make your roles in your trumped-up war seem very important. There is no doubt this is desirable, it just isn't fair. The real purpose of your little war is to facilitate your doing something different from Scientology, while all those whom you control must go through the daily grind you say you're above.

I don't fault you for doing something different from Scientology, but I do not find acceptable your holding Scientologists in bondage to your catastrophic cause, enforcing your lie that you have their best interests in mind, robbing their years of youth and vigor, and putting them at risk while you show up at the occasional ribbon cutting ceremony, lunch with lawyers and the like, sucker celebs, run PIs and intel ops, conspire, cheat, lie, steal, bully and destroy. I urge something more creative as a better idea.

Your hardworking staff members and people of good will around the world who have supported you financially and spiritually will not for much longer be fooled by your foolishness and will stop believing your lies. They will speak to each other, they will speak out against your suppression, and they will act to free themselves and their friends. You cannot much longer, as we move societally into the age of wisdom, cynically and sillily intimidate good people with threat and suppress good people with lies.

There is the matter of mitigation of damages which, because you insist your lawyers tell you what you pay them to say, you may not have heard or yet understood. In that by the Sohigian



-ruling I am permitted to speak freely, write freely, publish freely, associate freely, when, it could be argued, and you have, that prior to the ruling and pursuant to the settlement agreement I was not so permitted, I have, in your attempt to enforce the agreement, prevailed.

By not appealing the Sohigian ruling you have acquiesced thereto. I am therefore due costs and fees in Armstrong II plus the costs and fees you already owe in your earlier losing and unappealed effort in Armstrong I. But in addition to the fees and costs now owing, and increasing as you protract this already lost litigation, there is the cumulative effect of your legal onslaught which, continuing after the case was lost, if not before, is in every minute malicious.

Gerald Armstrong and The Gerald Armstrong Corporation (TGAC) must also mitigate their damages. I have a duty, therefore, to end this litigation as quickly as possible. Thus I write to so many organizational recipients; thus I canvass to see if within the organization's many parts, all put at risk by their leaders' asininity and mean-spiritedness, there are people of good will who will see sense in what is in their best interest.

That after the Sohigian ruling you sued TGAC (pronounce that Tee-Gee-Ack) is silly and self-destructive. The only thing in the world Gerald Armstrong, individual, is prohibited from doing by the "injunction," is testifying about his Scientology history and knowledge without first accepting the perfunctory subpoena. TGAC only came into existence in 1987, six years after Gerald Armstrong's organization experiences ended, and a year after the Armstrong I litigation "settled."

TGAC cannot testify, with or without subpoena, about any Scientology experiences, because it has had, aside from those which have flowed from your lawsuit, none. Since no one, including TGAC, is prohibited by Sohigian from doing any of the things TGAC actually is capable of doing, it is free to do everything anyone or any other corporation can; and by not appealing the injunction you have so agreed. Thus, having no conceivably legitimate claim against TGAC, you depend on one manufactured from madness, and you must therefore dismiss the mess you've made.

There is also, as mentioned above, the fact that in order to defend myself from your attacks and to fund the defense of the litigation you have fomented I must speak and must publish. I'm sure you understand that I remain completely confident that no court, other than the odd one your mercenaries are able to compromise with bucks, babes or bull, will order me to not defend myself.

I realize you will probably claim to be offended by



everything I've written in this letter. I can't do much about that because you seem to take offense no matter what I say or write, or don't. For, *inter alia*, that reason I haven't said or written it differently. I really don't blame you for being offended and I don't expect you not to be offended; nor will I be offended if you are. I think my position is obvious and I think peace is worth doing something about, even if the fomenters of war are offended. I've used the words I've used because to me they make sense and they're a facet of my craft.

This letter is not really, however you may take it, a complaint nor an attack. It is an effort to unfoment your litigation, into which I have been, albeit for some God-given purpose, drawn. So, neither forgetting nor ignoring Judge Sohigian's admonition not to settle Armstrong II, but still hoping, with my heart crossed, here is my proposal:

1. Settle the Nothling case;
2. Settle with Ed Roberts;
3. Dismiss your complaint against TGAC and Gerald Armstrong;
4. Remove all your bar complaints against Ford Greene;
5. Pay my attorney fees and costs;
6. We will dismiss the cross-complaint and appeal;
7. Cancel the agreement;
8. Return all materials you've stolen from me at any time;
9. Pay me whatever you want, including, but not limited to, nothing.

1. Malcolm Nothling has a claim and he has survived a lot to get to trial. His costs, not much by US litigation standards, must be recognized, and he must be made whole financially, ethically and publicly. I am convinced that his daughter, but for your control of her mother and her life, would enjoy a healthy, loving relationship with her father. Therefore you must do whatever is within your power to reunite them.

2. You know about the Ed Roberts case because Ms. Bartilson interrogated me about my providing assistance to Mr. Roberts in my last series of depositions in Armstrong II, and one of your lawyers, Marcello Di Mauro, in earlier times communicated about him with Ford Greene. Ed Roberts is a friend of mine who



was sucked dry and flat out robbed by your registrars on the way to an up- or downstat week of no consequence to anyone as it turns out, and always does, but Ed.

I have found myself in the silly position of being the only person in the world willing to help Mr. Roberts against your organization. Again, I have no desire to have Mr. Roberts engage you in litigation. In fact his situation can be resolved without your fomenting not only more litigation, but more ill will and silliness. For you it is merely an accounting matter. You ripped Mr. Roberts off; now pay him what is needed to make him whole again.

Mr. Roberts' case of Scientology lies, threats, treachery and thievery, his own money then used to pay your pittanceless pettifoggers to prevent him from anything resembling redress, is being played and replayed every day of the year in your orgs. I would think that the three or so million you wasted on your inane USA Today ads to counter Richard Behar's few good pages could have taken care of three hundred Mr. Roberts and done a heap of good.

All your ads did was a heap of bad: more lies, more hate, more embarrassment for Scientologists everywhere, another dead forest, and an uncharitable little delay to your victims before they are made whole. The Ed Roberts case is, in my opinion, the proof of Time's theme: that you are - all of you at the top of your organization - a cult of greed. But worse, you squander your plunder, as witness Toronto, starve the good and fatten your PIs and proctors and their proctologists. And all with the fatuous excuse of a right to defend wrongness and attack rightness because your "religion's" stupidity is, in our courts of law, beyond question.

Anyway I want to have Ed's needs taken care of toot sweet. He probably wouldn't think less of you if you didn't apologize, but I think it's a good idea and sure couldn't hurt.

3. I don't care what order everything is done in. I think whatever is most practical, sensible and ergonomically sound is the way to approach this particular program, which, I'm sure can be wrapped up in a couple of days.

4. This is easy. These Ingram-generated efforts have only served to shine a light on your invidiously scheming enterprise. All your similarly baseless bar complaints against my other lawyer, Michael Flynn, came to nothing. You should learn from the earthworms. Filing no spurious bar complaints whatsoever they demonstrate their superior philosophy.

5. Although they're in the range of, I don't think fees and costs are over \$500,000. Clearly nothing is going to happen



unless you cover my attorneys' fees and costs. To leave me with that indebtedness is unfair and unworkable. You will recall that I made a proposal in 1984, being then scared and weak: pay my lawyers' fees and costs of, I guessed, \$150,000, and I'll quit. You, and in those days, Hubbard, said no way. I, less scared and much stronger, urge you to choose again.

6. Dismissal of the cross-complaint is easy. I'll take care of it.

8. I'm aware this may for a long time remain a pettiness you'd rather not confront. But I can guarantee that if you return my materials - the Hubbard letters manuscript, the Cones, all the other materials you and your PIs have stolen from me over the years, I will not bring criminal charges, and I won't even bring the subject up again.

9. You have to cancel the settlement agreement in order to demonstrate to yourselves that it was the wrong thing in which to put your faith. You will notice that when you cancel the agreement nothing will happen. Yet you will have freed me. And that is what you should make Scientology's only business: freeing people. You will also observe that when you free me you free yourselves; in fact you cannot yourselves be free unless you free me.

Regarding my relationship with you after you cancel the agreement, that is where you must reassert your faith. Have the faith that I will neither say nor write worse things about you if you free me to do so. As you know I can say some pretty pointed things about you now just because you won't cancel that degrading document. Put faith in what occurs in silence. Put faith in the inevitable.

7. You decide. If you think I did a lousy job unfomenting your litigation, pay me zippo. Even if it all works for everyone, timing inspired and ideas a Godsend, you don't have to pay me anything. I generally don't refuse what's offered. You know how much I'm worth.

I haven't forgotten Wollersheim, Yanny I & II, the Aznarans, the CAN litigation, claimants all over the place, your government lawsuits, the rest of the settlement signatories, your taxes, nor your image and media distress, and I think it's appropriate to say that I can help you unfoment those problems as well. I would, of course, need half a chance.

If you look deep in your hearts I believe you'll find you really do not want Scientology's legacy to be one of suppression; suppression of the Constitution, human dignity, truth, religion, justice, even suppression of your own good selves. Wouldn't it be better to be known as the people who ended the madness in

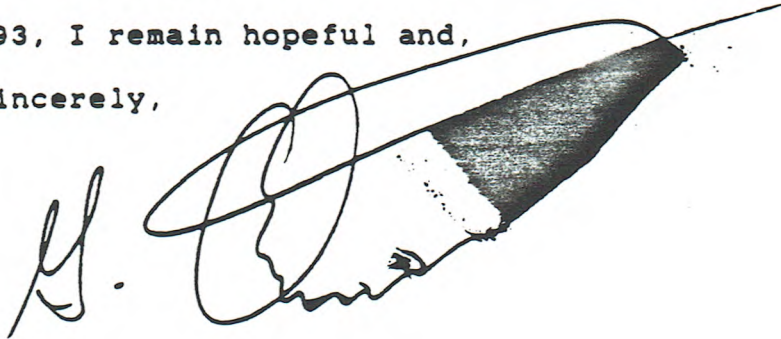


peace and style; a radical recognition of the transcendence of quantum scientology. LRH was Newtonian in his physics and relativistic epistemologically. I like to call one aspect of my philosophy, *inter alia* non-mutual exclusivity.

I believe that everyone will become a person of good will, that everyone already is, has been and will forever be, that there is progress and perfection, hope and reason, that to know who we are we must accept the truth of our relationship to our Creator, that all about us that we made is illusion, that we have reason to be grateful that is so, that our Creator, God, our Father Loves us in the same Love by which He created us and holds us always safe and always loved in that Love, that we, His children, are one and One with Him, that the means by which He is remembered, and hence our relationship, and hence who we are, and hence what we know, is forgiveness, that forgiveness is the recognizing of illusion for what it is, that creation is our nature, and that everything is all there is.

With a wish for peace in 1993, I remain hopeful and,

yours sincerely,

A large, stylized handwritten signature, likely of Gerald Armstrong, written in dark ink. The signature is fluid and cursive, with a prominent loop and a long, sweeping tail that extends towards the right edge of the page.

Gerald Armstrong  
715 Sir Francis Drake Blvd.  
San Anselmo, CA 949650  
(415)456-8450

:ga

cc: Malcolm Nothling  
Ed Roberts  
Lawrence Wollersheim  
Richard & Vicki Aznaran  
Richard Behar  
Ford Greene, Esquire  
Paul Morantz, Esquire  
Joseph A. Yanny, Esquire  
Toby L. Plevin, Esquire  
Graham E. Berry, Esquire  
Stuart Cutler, Esquire  
Anthony Laing, Esquire  
John C. Elstead, Esquire  
Michael J. Flynn, Esquire  
Fr. Kent Burtner



Margaret Singer, PhD.  
Cult Awareness Network  
Daniel A. Leipold, Esquire  
Church of Scientology International  
Church of Scientology of California  
Religious Technology Center  
Church of Spiritual Technology  
Church of Scientology ASHO  
Church of Scientology AOLA  
Founding Church of Scientology of Washington, D.C.  
Church of Scientology Flag Service Organization  
Church of Scientology of Arizona  
Church of Scientology of Los Angeles  
Church of Scientology of Stevens Creek  
Church of Scientology of Sacramento  
Church of Scientology of San Francisco  
Church of Scientology of Washington State  
Church of Scientology of Boston  
Church of Scientology of Portland  
Church of Scientology of New York



EXHIBIT F



# Scientology in the Schools

Is L. Ron Hubbard's morals text harmless?

BY KENNETH L. WOODWARD  
AND CHARLES FLEMING

**W**hen Carol Burgeson received a copy of "The Way to Happiness" in the mail 13 months ago, she read it through and decided it was the perfect non-religious vehicle for teaching moral values to her senior students at Thornton Township High School in Harvey, Ill. So Burgeson ordered more free copies of the book by L. Ron Hubbard and used them to stimulate discussions in her classes. "It seemed so harmless," she says. "Brush your teeth, do your work, don't be tardy—what's wrong with that?"

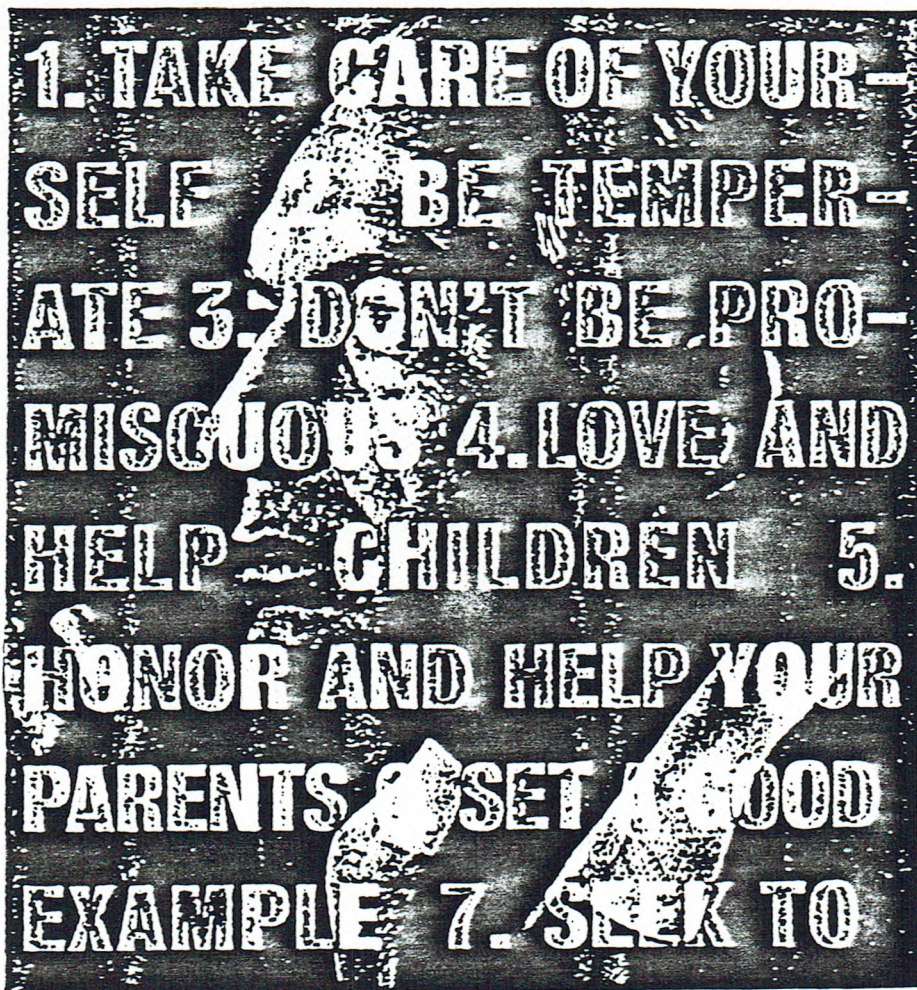
Nothing. But she was more than a little surprised to discover that the late Hubbard, who is identified in the pamphlets by name only, was the founder of the Church of Scientology, and that the pamphlets are distributed by a foundation tied closely to his controversial religion. She's not alone. With little fanfare, Hubbard's text has found its way into the nation's schools. According to the Scientologists, 8,300 public-school teachers and administrators have used the morality text since it was first published in 1981. Altogether, church officials estimate, 6.8 million pupils in 7,000 U.S. schools have studied Hubbard's moral principles; internationally, more than 34 million copies in 17 different translations have been distributed—sometimes, say Scientologists, by major corporations. "That book," says the Rev. Heber Jentusch, president of the Church of Scientology International, "has probably had more popularity than anything Mr. Hubbard has written."

The need for books on values has long been recognized by public-school educators. Strapped for cash and under pressure from parents to deliver a values-oriented education, many teachers and administrators welcome any text that promises—as Hubbard's does—to deliver sound moral principles on a "nonreligious" basis. But when *Newsweek* checked with public-school educators who received the text, some said that they had been misled. In Brooklyn, N.Y., Lawrence Herstik, principal of PS 238, initially welcomed "The Way to Happiness" as "a values-oriented book about righteousness and peace." But he stopped using the text after he discerned "an undercurrent of a religious nature." In Bellflower, Calif., Jeanie Cash, principal of the Frank E. Woodruff Elementary School,

ordered copies of the Hubbard book but refused to put them into her classrooms when she discovered that they came from the Church of Scientology. "They sent a brochure saying it was a self-esteem program," says Cash. "I feel that I was deceived. We feel very strongly about the separation of church and state."

living house, and promoted through The Way to Happiness Foundation, one of several independent corporations designed to propagate Hubbard's thought.

All of these putatively "secular" organizations are coordinated by the Association for Better Living and Education (ABLE), which is an organ of the church. The "Way to Happiness" book is itself part of Hubbard's extensive philosophical and religious writings, which for Scientologists, says Jentusch, "are the same as the Bible is for Christians and the Koran is for Muslims." What makes "The Way" acceptable for public-school use, Jentusch argues, is that students who read the book do not have to follow Hubbard's moral



Since "The Way to Happiness" claims that it is "not part of any church doctrine," Scientology officials insist that its use by public schools poses no problems. Hubbard wrote it in 1960, they report, the year the U.S. Supreme Court ruled that public schools in Kentucky could not display the Ten Commandments in the classroom. Like Scientology itself, says president Jentusch, the book merely teaches "common sense." However, the volume is published by Bridge Publications, the church's own pub-

"Way to Happiness": Hubbard's 'secular' text

principles, while members of the Church of Scientology must.

On the surface, there is little in the book that would trouble any educator who believes in cleanliness, honesty, integrity and tolerance. Among Hubbard's 21 moral principles is this curiously relaxed restatement of the golden rule: "Try not to do things to others that you would not like them to do to you."



# Martyrs for Multiculturalism

## Courses that students at UCLA might die for

But Hubbard's catechism is also studied with jarring axioms. It declares, for example, that "the way to happiness does not include murdering your friends, your family or yourself being murdered."

More important, anyone familiar with Scientology will find that the text uses key words and concepts taken directly from Scientology's religious lexicon. For instance, Scientology teaches that the fundamental point of life is "survival," and that only those who become the "cause" of their own actions can be truly happy. This is also a major theme of "The Way to Happiness." More significant, Scientology teaches that the truth is "what is true for you." This relativistic view is repeated with emphasis in the book. On the other hand, the text is silent about most of Scientology's central tenets: for example, its belief that people suffer from evil deeds done in past lives that the church's ministers can correct through expensive counseling courses, and its adamant opposition to psychiatry.

Front group? Critics of Scientology, including some former officials, argue that "The Way to Happiness" is primarily a recruiting tool for the church. According to Vicki Azmaran, who once served as inspector general of the Religious Technology Center, the church's highest ecclesiastical organization, The Way to Happiness Foundation is "a front group to get people into Scientology" and the book is designed "to make Scientology palatable to the masses." Another former church member, Gerald Armstrong, claims that Hubbard wanted "rich Scientologists to buy huge quantities of this book for distribution. He wanted to go down in history as a scientist or a philosopher or both." Both Azmaran, who runs a private detective agency in Dallas, and Armstrong, who works for an anti-Scientologist attorney in San Francisco, are currently locked in prolonged and bitter litigation with the church over a variety of claims.

Church officials strongly deny that "The Way to Happiness" is a lure to attract potential converts. Still, the church is anxious to broaden its appeal by promoting Hubbard's various "technologies" for combating drugs, reforming criminals, teaching morality and learning how to study—and doing it through its sundry satellites: Narconon, Criminon, Applied Scholastics and The Way to Happiness Foundation. The church's encyclopedic reference text, "What Is Scientology?," claims that 23 corporate giants have used Hubbard's study technology. Yet a check of three of them—Mobil Oil, General Motors and L'Oréal—brought denials of any corporate involvement with the church. But if the nation's public schools are any measure, Hubbard's tracts will continue to turn up in the most surprising places.

For 20 years, the University of California, Los Angeles, has offered courses about Chicano culture and history. But last April, on the eve of the funeral of Cesar Chavez, the farm workers' union leader, officials announced that they would not create a special department devoted to Chicano studies—instead they pledged to im-

content themselves with interdisciplinary majors taught by professors from traditional academic departments. That arrangement is unsatisfactory, say the demonstrators, because faculty members have little time or encouragement to concentrate on ethnic studies. Their solution: full academic status for Chicano studies. "We cannot

continue to the next necessary step without departments," says Luis Torres, an English- and Chicano-studies professor at the University of Southern Colorado who also heads the National Association of Chicano Studies. (About 17 percent of UCLA's 23,000 students are Chicano; many have not joined the campus demonstrations.)

UCLA administrators insist that a field like Chicano studies—touching on history, sociology, literature, feminism and other disciplines—is best left as an interdisciplinary program. That structure encourages the flow of ideas among Chicano-studies faculty and other specialists. Creating separate departments, says UCLA Provost Herbert Morris, encourages a "Balkanization" that the university wants to avoid. "We need the ethnic perspectives to pervade all the departments," says Morris, who does agree that the Chicano program needed improvement.

Chancellor Charles E. Young offered to take several important steps to bolster the Chicano-studies program. First, all ethnic- and gender-studies programs would be exempt from funding cuts for two

years—a critical gesture because the UC system is strapped for cash. Second, new faculty would be appointed jointly to Chicano studies and an existing department—history, say, or languages. Also, Young insists that this year's decision need not be the final one. He suggests that the idea of a full-fledged department can be re-examined in a few years. Seeking an end to the demonstrations last week, university officials offered even more funding and more faculty for the program. So far, the protesters have rejected his offers—as well as food. In a state where minorities now account for nearly half of the student body at some public universities—and sometimes more—the bitter conflict at UCLA will not be the last.

CONNIE LESLIE with ANDREW MORA at UCLA



LESTER SLOAN/NEWSWEEK

A fight to the death: Protesters at UCLA

prove the existing program. Since then, the campus has reverted to '60s-style protests. Students—mostly Chicanos—took over a faculty center, then trashed it. City police arrested 99 demonstrators. And now, on the lawn outside the administration building, nine demonstrators have taken a page from the Chavez manual, pledging to fast until a department is created—or they die.

Is this a cause worth dying for? "We are risking our lives to save lives," says hunger striker Jorge Mancillas, assistant professor of biology at UCLA's medical school. More academic attention, he thinks, will eventually pay off in a more prosperous, stronger Chicano community. But UCLA does not have separate departments for any special-interest group. Asians, blacks and women have all had to



PROOF OF SERVICE

STATE OF CALIFORNIA        )  
                                  ) ss.  
COUNTY OF LOS ANGELES    )

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Boulevard, Suite 2000, Los Angeles, CA 90028.

On April 4, 1994 I served the foregoing document described as VERIFIED SECOND AMENDED COMPLAINT FOR DAMAGES AND FOR PRELIMINARY AND PERMANENT INJUNCTIVE RELIEF FOR BREACH OF CONTRACT on interested parties in this action,

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] true copies thereof in sealed envelopes addressed as follows:

PAUL MORANTZ  
P.O. Box 511  
Pacific Palisades, CA 90272

FORD GREENE  
HUB Law Offices  
711 Sir Francis Drake Blvd.  
San Anselmo, CA 94960-1949

[X] BY MAIL

[ ] \*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[X] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.



Executed on April 4, 1994 at Los Angeles, California.

[ ] \*\*(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressees.

Executed on \_\_\_\_\_, at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Ga Gabriel Becket  
Print or Type Name

Ga Gabriel Becket  
Signature

\* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

\*\* (For personal service signature must be that of messenger)



**EXHIBIT B**



1 waiver of all claims arising out of a cross-complaint which  
2 defendant Armstrong had filed in the case of Church of  
3 Scientology of California v. Gerald Armstrong, Los Angeles  
4 Superior Court No. C 420153. Armstrong, a former Church member  
5 who sought, by both litigation and covert means, to disrupt the  
6 activities of his former faith, displayed through the years an  
7 intense and abiding hatred for the Church, and an eagerness to  
8 annoy and harass his former co-religionists by spreading enmity  
9 and hatred among members and former members. Plaintiff sought,  
10 with the Agreement, to end all of Armstrong's covert activities  
11 against it, along with the litigation itself. For that reason,  
12 the Agreement contained carefully negotiated and agreed-upon  
13 confidentiality provisions and provisions prohibiting Armstrong  
14 from fomenting litigation against plaintiff by third parties.  
15 These provisions were bargained for by plaintiff to put an end to  
16 the enmity and strife generated by Mr. Armstrong once and for  
17 all. The Agreement also provided, inter alia, for liquidated  
18 damages to be paid by Armstrong should he choose to breach these  
19 provisions.

20       2. In or about February, 1990, Armstrong began to take a  
21 series of actions which directly violated provisions of the  
22 Agreement. Fearing that plaintiff would seek to collect the  
23 liquidated damages owed by his breaches, Armstrong, as set forth  
24 below, fraudulently conveyed all of his property, including real  
25 property located in Marin County, cash, and personal property to  
26 defendants Michael Walton, the Gerald Armstrong Corporation, and  
27 Does 1-100, receiving no consideration in return. Thereafter,  
28 Armstrong deliberately set out to repeatedly breach the



1 Agreement, incurring a debt which at present totals at least  
2 \$1,800,000, and which he has and had no assets to use to satisfy  
3 the debt.

4 3. Armstrong's breaches and resulting indebtedness are  
5 presently the subject of two actions pending in Los Angeles  
6 Superior Court, Church of Scientology International v. Armstrong,  
7 LASC No. BC 052395 ("the First Action"), demanding liquidated  
8 damages of \$600,000.00 for breaches occurring between July, 1991  
9 and May, 1992, and Church of Scientology International v.  
10 Armstrong, LASC No. BC 084642 ("the Second Action"), demanding  
11 liquidated damages of \$1,200,000.00, for breaches occurring  
12 between August, 1991 and June, 1993.

#### 13 THE PARTIES

14 4. Plaintiff Church of Scientology International is a non-  
15 profit religious corporation incorporated under the laws of the  
16 State of California, having its principal offices in Los Angeles,  
17 California. Plaintiff CSI is the Mother Church of the  
18 Scientology religion.

19 5. Defendant Gerald Armstrong is a resident of Marin  
20 County, California.

21 6. Defendant Michael Walton is a resident of Marin County,  
22 California.

23 7. Defendant Gerald Armstrong Corporation ("GAC") is a  
24 corporation incorporated under the laws of the State of Calif-  
25 ornia, having its principal offices in San Anselmo, California.

26 8. Plaintiff is ignorant of the names and capacities of  
27 the defendants identified as DOES 1 through 25, inclusive, and  
28 thus brings suit against those defendants by their true names



1 upon the ascertainment of their true names and capacities, and  
2 their responsibility for the conduct alleged herein.

3 DEFENDANT GAC IS THE ALTER EGO OF

4 DEFENDANT ARMSTRONG

5 9. Defendant Armstrong is GAC's president and sole  
6 officer, its principal shareholder and sole employee, and has  
7 been since the incorporation of GAC in 1987. Further, defendant  
8 Armstrong has the sole and exclusive right to control the  
9 corporation's bank account and its disbursement of funds.

10 10. Defendant GAC is, and at all times since its  
11 incorporation was, the alter ego of defendant Armstrong. There  
12 exists, and at all times since GAC's incorporation has existed, a  
13 unity of interest and ownership between these two defendants such  
14 that any separateness between them has ceased to exist:  
15 Defendant Armstrong caused his own personal assets to be  
16 transferred to GAC without adequate consideration in order to  
17 evade payment of his lawful obligations, and defendant Armstrong  
18 has completely controlled, dominated, managed and operated GAC  
19 since its incorporation for his own personal benefit.

20 11. Defendant GAC is, and at all times mentioned was, a  
21 mere shell, instrumentality and conduit through which defendant  
22 Armstrong carried on his activities in the corporate name exactly  
23 as he conducted them previous to GAC's incorporation. Armstrong  
24 exercised and exercises such complete control and dominance of  
25 such activities that any individuality or separateness of  
26 defendant GAC and defendant Armstrong does not, and at all  
27 relevant times did not, exist.

28 12. Adherence to the fiction of the separate existence of



1 defendant GAC as an entity distinct from defendant Armstrong  
2 would permit an abuse of the corporate privilege and would  
3 sanction fraud, in that Armstrong transferred his material assets  
4 to GAC in 1988, at the time of his embarkation on the campaign of  
5 harassment described herein, and with the intention of preventing  
6 plaintiff from obtaining monetary relief from Armstrong pursuant  
7 to the liquidated damages clause. Hence, GAC exists solely so  
8 that Armstrong may be "judgment proof."

9 THE CONTRACT

10 13. On or about December 6, 1986, CSI and Armstrong entered  
11 into a written confidential settlement Agreement, a true and  
12 correct copy of which is attached hereto as Exhibit A, and  
13 incorporated by reference.

14 14. The Agreement was entered into by plaintiff and  
15 defendant Armstrong, with the participation of their respective  
16 counsel after full negotiation. Each provision of the Agreement  
17 was carefully framed by the parties and their counsel to  
18 accurately reflect the agreement of the parties.

19 15. Plaintiff specifically negotiated for and obtained from  
20 Armstrong the provisions in the Agreement delineated in  
21 paragraphs 7(D), 7(H), 7(G), 10 and paragraphs 12 through 18.  
22 Plaintiff took this step because it was well aware, through  
23 investigation, that Armstrong had undertaken a series of covert  
24 activities, apart from the litigation, which were intended by  
25 Armstrong to discredit Church leaders, spark government raids  
26 into the Churches, create phony "evidence" of wrongdoing against  
27 the Churches, and, ultimately, destroy the Churches and their  
28 leadership.



1           16. Paragraph 7(D) of the Agreement provided, in substance,  
2 that Armstrong: (1) would not create or publish, or assist  
3 another in creating or publishing, any media publication or  
4 broadcast, concerning information about plaintiff, L. Ron Hubbard  
5 or any other persons or entities released by the Agreement; (2)  
6 would maintain "strict confidentiality and silence" with respect  
7 to his alleged experiences with plaintiff or any knowledge he  
8 might have concerning plaintiff, L. Ron Hubbard, or other  
9 Scientology-related entities and individuals; (3) would not  
10 disclose any documents which related to plaintiff or other  
11 identified entities and individuals; and (4) would pay to  
12 plaintiff \$50,000 in liquidated damages for each disclosure or  
13 other breach of that paragraph.

14           17. Contemporaneously with the signing of the Agreement,  
15 Armstrong represented that he understood the Agreement's  
16 provisions and was acting of his own free will and not under  
17 duress.

18           18. The Agreement also provided that plaintiff CSI would  
19 pay to Armstrong's attorney, Michael Flynn, a lump sum amount  
20 intended to settle not just Armstrong's case, but the cases of  
21 other clients of Mr. Flynn as well, and that Mr. Flynn would pay  
22 to Armstrong a portion of that settlement amount. The exact  
23 amount of the portion to be paid to Armstrong by Mr. Flynn was  
24 maintained as confidential between Mr. Flynn and Armstrong.

25           19. CSI paid to Mr. Flynn the lump sum settlement amount.

26           20. Mr. Flynn paid to Armstrong his confidential portion of  
27 the lump sum settlement amount, which was at least \$520,000,  
28 after expenses.



1        21. The consideration paid to Armstrong was fair,  
2 reasonable and adequate. Plaintiff CSI has performed all of its  
3 obligations pursuant to the Agreement.

4                    BREACHES OF THE AGREEMENT

5        22. Beginning in February, 1990, and continuing unabated  
6 until the present, Armstrong has breached the Agreement wilfully  
7 and repeatedly, including, inter alia, the provisions of  
8 Paragraph 7(D) of the Agreement which require Armstrong to pay  
9 plaintiff liquidated damages for each such breach.

10       23. In addition to the breaches of the Agreement which  
11 invoke the liquidated damages clause, Armstrong has committed  
12 additional violations of provisions of the Agreement which  
13 entitle plaintiff to compensatory damages according to proof.

14       24. Despite demand by plaintiff, Armstrong has refused to  
15 pay any damages, liquidated or compensatory, for the deliberate  
16 breaches of the Agreement described herein.

17       25. The breaches described herein are presently the subject  
18 of litigation in the First Action and the Second Action, and have  
19 not yet been reduced to judgment.

20                    FIRST CAUSE OF ACTION

21                    TO SET ASIDE FRAUDULENT TRANSFER OF REAL PROPERTY

22        (Against Defendants Gerald Armstrong and Michael Walton)

23       26. Plaintiff realleges paragraphs 1 - 25, inclusive, and  
24 incorporates them herein by reference.

25       27. On or about August 24, 1990, defendant Gerald Armstrong  
26 was an owner and in possession and control of that real property  
27 situated in Marin County known as 707 Fawn Drive, San Anselmo,  
28 California, and more particularly described as follows:



1 PARCEL ONE

2 PARCEL TWO as shown upon that certain Parcel Map  
3 entitled, "Parcel Map Lands of California Land Title  
4 Portion Lands described in book 2887 of Official  
5 Records, at page 367, also being Portion of Lots 501  
6 and 501-A unrecorded Map of Sleepy Hollow Acres,  
Vicinity of San Anselmo, Marin County, California,  
7 filed for record April 8, 1976 in Volume 12 of Parcel  
8 Maps, at page 43, Marin County Records.

9 EXCEPTING THEREFROM that portion deeded to Alain Pigois  
10 and Nina Pigois, husband and wife, as community  
11 property, by Deed recorded February 27, 1989, Serial  
12 No. 89 13373.

13 PARCEL TWO

14 AN EASEMENT for ingress, egress and public utility  
15 purposes described as follows:

16 BEGINNING at a point on the centerline of Fawn Drive,  
17 said point being the most southwesterly corner of  
18 Parcel 3, as shown upon that certain map entitled,  
19 "Parcel Map Lands of California Land Title Portion  
20 Lands described in Book 2887 of Official Records, at  
21 page 367, also being a portion of Lots 501 and 501-A,  
22 unrecorded Map of Sleepy Hollow Acres, Vicinity of San  
23 Anselmo, Marin County, California", filed for record  
24 April 9, 1976 in Volume 12 of Parcel Maps, at page 43,  
25 Marin County Records, said point also being the  
26 intersection of the calls "South 26° 20' East 135 feet  
27 and North 63° 40' East 20 feet" as contained in Parcel  
28 2 of the Deed executed by California Land Title  
Company, a corporation to Michael C. McGuckin, et ux,  
recorded March 26, 1976 in Book 3010 of Official  
Records, at page 190, Marin County Records; thence from  
said point of beginning and along the exterior boundary  
of said Parcel 3, North 63° 40' East 20 feet; thence  
North 75° 07' 20" East 164.00 feet; thence leaving said  
exterior boundary of Parcel 3, North 12° 41' East 85.00  
feet; thence North 30° 45' West 126.00 feet, thence  
North 13° 30' East 79.21 feet to the northwesterly  
boundary of Parcel 1, as shown upon that certain map  
referred to hereinabove; thence along the exterior  
boundary of said Parcel 1, South 84° 00' west 75.70  
feet to the most Northerly corner of the parcel of land  
described in the Deed executed by Charles B. Roertson,  
et ux, to Paul Hopkins Talbot, Jr., et ux, recorded  
January 30, 1956 in book 1002 of Official Records, at  
page 623, Marin County Records; thence 111.77 feet,  
thence leaving said exterior boundary of Parcel 1,  
South 18° 45' East 95.06 feet thence South 21° 48' West  
70.66 feet; thence South 75° 07' 20" West 160.00 feet  
to the certline of Fawn Drive; thence along the



1 exterior boundary of said Parcel 3, also being the  
2 centerline of "Fawn Drive, South 26° 20' East 34.46  
feet to the point of beginning.

3 28. On or about August 24, 1990, defendants Gerald  
4 Armstrong and Michael Walton transferred by grant deed the above-  
5 described property to defendant Michael Walton. On August 27,  
6 1990, the grant deed was recorded in Marin County Official  
7 Records as number 90 50497 in the Office of the County Recorder  
8 of Marin County, California.

9 29. Plaintiff is further informed and believes and thereon  
10 alleges that the transfer was made with an actual intent to  
11 hinder, delay or defraud plaintiff in the collection of its  
12 damages.

13 30. Further, plaintiff is informed, and believes, and  
14 thereon alleges that at the time Armstrong made the transfers, he  
15 intended in the future to engage in the conduct in breach of his  
16 Agreement with plaintiff, described above, knowing that he would  
17 thereby incur the damages described herein and for which he would  
18 have rendered himself judgment-proof.

19 31. Defendant Armstrong received no money or other  
20 consideration in exchange for the aforementioned transfer.  
21 Plaintiff is informed and believes and thereon alleges that at  
22 the time of the transfer of the real property defendant  
23 Armstrong's interest in the real property was not less than  
24 \$397,500.00. Thus, defendant Armstrong did not receive  
25 reasonably equivalent value in exchange for his interest in the  
26 real property.

27 32. Plaintiff is informed and believes and thereon alleges  
28 that defendant Walton received the above-described real property



1 with knowledge that defendant Armstrong intended to (1) hinder,  
2 delay or defraud the collection of plaintiff's aforementioned  
3 damages and (2) further breach his Agreement with plaintiff,  
4 thereby incurring substantial damages which it would be  
5 impossible for Armstrong to pay. Defendant Walton had previously  
6 advised Armstrong concerning the Agreement and was familiar with  
7 its terms and conditions; further, Armstrong had informed  
8 defendant Walton of his vendetta against plaintiff and all  
9 Churches of Scientology, and of his intentions to breach the  
10 Agreement. Moreover, Walton was well aware of the fraudulent  
11 nature of the transfer, for which he received no money or other  
12 consideration.

13 SECOND CAUSE OF ACTION

14 TO SET ASIDE FRAUDULENT TRANSFER OF ASSETS

15 (Against All Defendants)

16 33. Plaintiff realleges paragraphs 1-25, inclusive, and  
17 incorporates them herein by reference.

18 34. On or about August, 1990, defendant Gerald Armstrong  
19 was the owner and in possession and control of approximately  
20 \$41,500 in cash, and shares of stock in The Gerald Armstrong  
21 Corporation which were valued by Armstrong at \$1,000,000.

22 35. On or about August, 1990, Armstrong transferred the  
23 \$41,500 in cash and the shares of stock in The Gerald Armstrong  
24 Corporation to defendants Walton and Does 1 - 100.

25 36. Plaintiff is further informed and believes and thereon  
26 alleges that the transfer was made with an actual intent to  
27 hinder, delay or defraud plaintiff in the collection of its  
28 damages.



1        37. Further, plaintiff is informed, and believes and  
2 thereon alleges that at the time Armstrong made the transfers, he  
3 intended in the future to engage in the conduct in breach of his  
4 Agreement with plaintiff, described above, knowing that he would  
5 thereby incur the damages described herein, and for which he  
6 would have rendered himself and his corporation judgment-proof.

7        38. Defendant Armstrong received no money or other  
8 consideration in exchange for the aforementioned transfer.  
9 Plaintiff is informed and believes and thereon alleges that at  
10 the time of the transfer of the cash and stock, defendant  
11 Armstrong's interest in the cash and stock was not less than  
12 \$1,041,500. Thus, defendant Armstrong did not receive reasonably  
13 equivalent value in exchange for his interest in the transferred  
14 assets.

15        39. Plaintiff is informed and believes and thereon alleges  
16 that defendants Walton and Does 1 -100 received the above-  
17 described real property with knowledge that defendant Armstrong  
18 intended to (1) hinder, delay or defraud the collection of  
19 plaintiff's aforementioned damages; and (2) further breach his  
20 Agreement with plaintiff, thereby incurring substantial damages  
21 which it would be impossible for Armstrong or his corporation to  
22 pay. Defendant Walton had previously advised Armstrong  
23 concerning the Agreement and was familiar with its terms and  
24 conditions; further, Armstrong had informed defendant Walton and  
25 Does 1-100 of his vendetta against plaintiff and all Churches of  
26 Scientology, and of his intentions to breach the Agreement.  
27 Moreover, Walton and Does 1-100 were well aware of the fraudulent  
28 nature of the transfer, for which they received no money or other



1 consideration.

2 THIRD CAUSE OF ACTION

3 CONSPIRACY

4 (Against All Defendants)

5 40. Plaintiff realleges paragraphs 1-32 and 34-39,  
6 inclusive, and incorporates them herein by reference.

7 41. As alleged above, in August, 1990, defendants  
8 Armstrong, Walton, and Does 1 - 100 agreed, and knowingly and  
9 willfully conspired between themselves to hinder, delay and  
10 defraud plaintiff in the collection of its damages, and to render  
11 Armstrong unable to pay any and all damages to plaintiff which  
12 Armstrong had incurred and intended to and did incur in violation  
13 of the Agreement.

14 42. Pursuant to this conspiracy, the above-named defendants  
15 agreed that Walton and Does 1 - 100 would take ownership and/or  
16 possession of all of defendant Armstrong's assets of any value,  
17 including the above-described real property, cash and stock and  
18 everything remaining from the proceeds of the settlement which  
19 Armstrong had accepted from plaintiff pursuant to the Agreement.  
20 Further, the defendants conspired and agreed to hide any and all  
21 future assets acquired by Armstrong in the sham corporation, The  
22 Gerald Armstrong Corporation, in order to protect Armstrong's  
23 assets from collection so long as he was breaching the Agreement,  
24 and plaintiff was attempting to collect damages for those  
25 breaches. Plaintiff is unaware of the present value of those  
26 assets which have been so hidden, but is informed and believes  
27 and thereon alleges that their value exceeds \$1,800,000, the  
28 minimum value of plaintiff's claim.



1 43. Defendants Armstrong, Walton, The Gerald Armstrong  
2 Corporation and Does 1 - 100 did the acts and things herein  
3 alleged pursuant to, and in furtherance of, the conspiracy and  
4 agreement alleged above.

5 44. As a proximate result of the wrongful acts herein  
6 alleged, plaintiff has been generally damaged in the sum of  
7 \$1,800,000.

8 45. At all times mentioned herein, defendants Walton,  
9 Armstrong, The Gerald Armstrong Corporation and Does 1-100 knew  
10 of defendant Armstrong's actions and intended actions against  
11 plaintiff, knew of Armstrong's resultant obligation to  
12 plaintiff, and knew that plaintiff's claims could only be  
13 satisfied out of the property, sums and stock transferred by  
14 Armstrong. Notwithstanding this knowledge, defendants Walton,  
15 Armstrong, The Gerald Armstrong Corporation and Does 1-100  
16 intentionally, willfully, fraudulently and maliciously did the  
17 things herein alleged to defraud and oppress plaintiff.  
18 Plaintiff is therefore entitled to exemplary or punitive damages  
19 in the sum of \$3,000,000 against all defendants, individually and  
20 severally.

21 WHEREFORE, plaintiff prays for judgment as follows:

22 ON THE FIRST CAUSE OF ACTION

23 1. That the transfer of the real property from defendant  
24 Armstrong to defendant Walton be set aside and declared void as  
25 to the plaintiff herein to the extent necessary to satisfy  
26 plaintiff's claim in the sum of \$1,800,000 plus interest thereon  
27 at the maximum rate permitted by law from 1990;

28 2. That defendant Walton be restrained from disposing of



1 the property transferred;

2 3. That a temporary restraining order be granted plaintiff  
3 enjoining and restraining defendant Walton, and his  
4 representatives, agents, and attorneys from selling,  
5 transferring, conveying, or otherwise disposing of any of the  
6 property transferred;

7 4. That the judgment herein be declared a lien on the  
8 property transferred;

9 5. That an order be made declaring that defendant Walton  
10 holds all of the real property described above in trust for  
11 plaintiff.

12 6. That defendant Walton be required to account to  
13 plaintiff for all profits and proceeds earned from or taken in  
14 exchange for the property described above.

15 ON THE SECOND CAUSE OF ACTION

16 1. That the transfer of assets from defendant Armstrong to  
17 defendants Walton and Does 1 - 100 be set aside and declared void  
18 as to the plaintiff herein to the extent necessary to satisfy  
19 plaintiff's claim in the sum of \$1,800,000 plus interest thereon  
20 at the maximum rate permitted by law from 1990;

21 2. That defendants Walton, The Gerald Armstrong  
22 Corporation and Does 1 - 100 be restrained from disposing of the  
23 property transferred;

24 3. That a temporary restraining order be granted plaintiff  
25 enjoining and restraining defendants Walton, The Gerald Armstrong  
26 Corporation and Does 1 - 100, and their representatives, agents,  
27 and attorneys from selling, transferring, conveying, or otherwise  
28 disposing of any of the property transferred;



1        4.    That the judgment herein be declared a lien on the  
2 property transferred;

3        5.    That an order be made declaring that defendants Walton,  
4 The Gerald Armstrong Corporation and Does 1-100 hold all of the  
5 assets described above in trust for plaintiff.

6        6.    That defendants Walton and Does 1 - 100 be required to  
7 account to plaintiff for all profits and proceeds earned from or  
8 taken in exchange for the property described above;

9                    ON THE THIRD CAUSE OF ACTION

10        1.    For general damages in the amount of \$1,800,000;

11        2.    For exemplary or punitive damages in the sum of  
12 \$3,000,000;

13                    ON ALL CAUSES OF ACTION AGAINST ALL DEFENDANTS

14        1.    For attorneys fees and costs;

15        2.    For such other and further relief as the court may deem  
16 proper.

17 DATED: July 21, 1993

WILSON, RYAN & CAMPILONGO

18  
19 BY: Andrew H. Wilson

20 Laurie J. Bartilson  
21 BOWLES & MOXON

22 Attorneys for Plaintiff  
23 CHURCH OF SCIENTOLOGY  
24 INTERNATIONAL  
25  
26  
27  
28

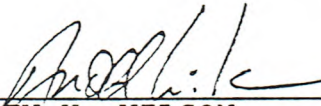


1 VERIFICATION

2 I, ANDREW H. WILSON, declare as follows:

3 I am one of the attorneys for the Plaintiff Church of  
4 Scientology International in the above-entitled matter. I have  
5 read the foregoing Verified Complaint to Set Aside Fraudulent  
6 Transfers and for Damages; Conspiracy and know the contents  
7 thereof, which are true of my own knowledge except as to those  
8 matters which are stated on information and belief, and as to  
9 those matters, I believe it to be true.

10 I declare under the penalty of perjury pursuant to the laws  
11 of the State of California that the foregoing is true and  
12 correct. Executed on July 21, 1993 at San Francisco,  
13 California.

14   
15 \_\_\_\_\_  
16 ANDREW H. WILSON  
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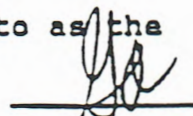
MUTUAL RELEASE OF ALL CLAIMS AND SETTLEMENT AGREEMENT

1. This Mutual Release of All Claims and Settlement Agreement is made between Church of Scientology International (hereinafter "CSI") and Gerald Armstrong, (hereinafter "Plaintiff") Cross-Complainant in Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153. By this Agreement, Plaintiff hereby specifically waives and releases all claims he has or may have from the beginning of time to and including this date, including all causes of action of every kind and nature, known or unknown for acts and/or omissions against the officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel of CSI as well as the Church of Scientology of California, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Religious Technology Center, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Author Services, Inc., its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and its trustee; and Mary Sue Hubbard, (all hereinafter collectively referred to as the

Ex. 1.

19.

A.





"Releasees"). The parties to this Agreement hereby agree as follows:

2. It is understood that this settlement is a compromise of doubtful and disputed claims, and that any payment is not to be construed, and is not intended, as an admission of liability on the part of any party to this Agreement, specifically, the Releasees, by whom liability has been and continues to be expressly denied. In executing this settlement Agreement, Plaintiff acknowledges that he has released the organizations, individuals and entities listed in the above paragraph, in addition to those defendants actually named in the above lawsuit, because among other reasons, they are third party beneficiaries of this Agreement.

3. Plaintiff has received payment of a certain monetary sum which is a portion of a total sum of money paid to his attorney, Michael J. Flynn. The total sum paid to Mr. Flynn is to settle all of the claims of Mr. Flynn's clients. Plaintiff's portion of said sum has been mutually agreed upon by Plaintiff and Michael J. Flynn. Plaintiff's signature below this paragraph acknowledges that Plaintiff is completely satisfied with the monetary consideration negotiated with and received by Michael J. Flynn. Plaintiff acknowledges that there has been a block settlement between Plaintiff's attorney, Michael J. Flynn, and the Church of Scientology and Churches and entities related to the Church of Scientology, concerning all of Mr. Flynn's clients who were in litigation with any Church of Scientology or related entity. Plaintiff has received a portion of this block

A handwritten signature, possibly reading "J. Flynn", is written over a horizontal line at the bottom right of the page.



amount, the receipt of which he hereby acknowledges.  
Plaintiff understands that this amount is only a portion of  
the block settlement amount. The exact settlement sum  
received by Plaintiff is known only to Plaintiff and his  
attorney, Michael J. Flynn, and it is their wish that this  
remain so and that this amount remain confidential.

  
\_\_\_\_\_  
Signature line for Gerald Armstrong

4. For and in consideration of the above described  
consideration, the mutual covenants, conditions and release  
contained herein, Plaintiff does hereby release, acquit and  
forever discharge, for himself, his heirs, successors,  
executors, administrators and assigns, the Releasees,  
including Church of Scientology of California, Church of  
Scientology International, Religious Technology Center, all  
Scientology and Scientology affiliated organizations and  
entities, Author Services, Inc. (and for each organization or  
entity, its officers, agents, representatives, employees,  
volunteers, directors, successors, assigns and legal  
counsel); L. Ron Hubbard, his heirs, beneficiaries, Estate  
and its executor; Author's Family Trust, its beneficiaries  
and trustee; and Mary Sue Hubbard, and each of them, of and  
from any and all claims, including, but not limited to, any  
claims or causes of action entitled Gerald Armstrong v.  
Church of Scientology of California, Los Angeles Superior  
Court, Case No. 420 153 and all demands, damages, actions and  
causes of actions of every kind and nature, known or unknown,



for or because of any act or omission allegedly done by the Releasees, from the beginning of time to and including the date hereof. Therefore, Plaintiff does hereby authorize and direct his counsel to dismiss with prejudice his claims now pending in the above referenced action. The parties hereto will execute and cause to be filed a joint stipulation of dismissal in the form of the one attached hereto as Exhibit "A".

A. It is expressly understood by Plaintiff that this release and all of the terms thereof do not apply to the action brought by the Church of Scientology against Plaintiff for Conversion, Fraud and other causes of action, which action has already gone to trial and is presently pending before the Second District, Third Division of the California Appellate Court (Appeal No. B005912). The disposition of those claims are controlled by the provisions of the following paragraph hereinafter.

B. As of the date this settlement Agreement is executed, there is currently an appeal pending before the California Court of Appeal, Second Appellate District, Division 3, arising out of the above referenced action delineated as Appeal No. B005912. It is understood that this appeal arises out of the Church of Scientology's complaint against Plaintiff which is not settled herein. This appeal shall be maintained notwithstanding this Agreement. Plaintiff agrees to waive any rights he may have to take any further appeals from any decision eventually reached by the Court of Appeal or any rights he may have to oppose (by responding brief or any other means) any further appeals taken by the Church of



Scientology of California. The Church of Scientology of California shall have the right to file any further appeals it deems necessary.

5. For and in consideration of the mutual covenants, conditions and release contained herein, and Plaintiff dismissing with prejudice the action Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153, the Church of Scientology of California does hereby release, acquit and forever discharge for itself, successors and assigns, Gerald Armstrong, his agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by Gerald Armstrong from the beginning of time to and including the date hereof.

6. In executing this Agreement, the parties hereto, and each of them, agree to and do hereby waive and relinquish all rights and benefits afforded under the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

7. Further, the undersigned hereby agree to the following:

A. The liability for all claims is expressly denied by the parties herein released, and this final compromise and



settlement thereof shall never be treated as an admission of liability or responsibility at any time for any purpose.

B. Plaintiff has been fully advised and understands that the alleged injuries sustained by him are of such character that the full extent and type of injuries may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, further damages may be sustained by Plaintiff; nevertheless, Plaintiff desires by this document to forever and fully release the Releasees. Plaintiff understands that by the execution of this release no further claims arising out of his experience with, or actions by, the Releasees, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the Releasees.

C. Plaintiff agrees to assume responsibility for the payment of any attorney fee, lien or liens, imposed against him past, present, or future, known or unknown, by any person, firm, corporation or governmental entity or agency as a result of, or growing out of any of the matters referred to in this release. Plaintiff further agrees to hold harmless the parties herein released, and each of them, of and from any liability arising therefrom.

D. Plaintiff agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other



similar form, any writing or to broadcast or to assist another to create, write, film or video tape or audio tape any show, program or movie, or to grant interviews or discuss with others, concerning their experiences with the Church of Scientology, or concerning their personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff expressly understands that the non-disclosure provisions of this subparagraph shall apply, inter alia, but not be limited, to the contents or substance of his complaint on file in the action referred to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. The attorneys for Plaintiff, subject to the ethical limitations restraining them as promulgated by the state or federal regulatory associations or agencies, agree not to disclose any of the terms and conditions of the settlement negotiations, amount of the



settlement, or statements made by either party during settlement conferences. Plaintiff agrees that if the terms of this paragraph are breached by him, that CSI and the other Releasees would be entitled to liquidated damages in the amount of \$50,000 for each such breach. All monies received to induce or in payment for a breach of this Agreement, or any part thereof, shall be held in a constructive trust pending the outcome of any litigation over said breach. The amount of liquidated damages herein is an estimate of the damages that each party would suffer in the event this Agreement is breached. The reasonableness of the amount of such damages are hereto acknowledged by Plaintiff.

E. With exception to the items specified in Paragraph 7(L), Plaintiff agrees to return to the Church of Scientology International at the time of the consummation of this Agreement, all materials in his possession, custody or control (or within the possession, custody or control of his attorney, as well as third parties who are in possession of the described documents), of any nature, including originals and all copies or summaries of documents defined in Appendix "A" to this Agreement, including but not limited to any tapes, computer disks, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above, all evidence of any nature, including evidence obtained from the named defendants through discovery, acquired for the purposes of this lawsuit or any lawsuit, or acquired for any other purpose



concerning any Church of Scientology, any financial or administrative materials concerning any Church of Scientology, and any materials relating personally to L. Ron Hubbard, his family, or his estate. In addition to the documents and other items to be returned to the Church of Scientology International listed above and in Appendix "A", Plaintiff agrees to return the following:

(a) All originals and copies of the manuscript for the work "Excalibur" written by L. Ron Hubbard;

(b) All originals and copies of documents commonly known as the "Affirmations" written by L. Ron Hubbard; and

(c) All documents and other items surrendered to the Court by Plaintiff and his attorneys pursuant to Judge Cole's orders of August 24, 1982 and September 4, 1982 and all documents and other items taken by the Plaintiff from either the Church of Scientology or Omar Garrison. This includes all documents and items entered into evidence or marked for identification in Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153. Plaintiff and his attorney will execute a Joint Stipulation or such other documents as are necessary to obtain these documents from the Court. In the event any documents or other items are no longer in the custody or control of the Los Angeles Superior Court, Plaintiff and his counsel will assist the Church in recovering these documents as quickly as possible, including but not limited to those tapes and other documents now in the possession of the United States District Court in the case of United States v. Zolin, Case No. CV



85-0440-HLH(Tx), presently on appeal in the Ninth Circuit Court of Appeals. In the event any of these documents are currently lodged with the Court of Appeal, Plaintiff and his attorneys will cooperate in recovering those documents as soon as the Court of Appeal issues a decision on the pending appeal.

To the extent that Plaintiff does not possess or control documents within categories A-C above, Plaintiff recognizes his continuing duty to return to CSI any and all documents that fall within categories A-C above which do in the future come into his possession or control.

F. Plaintiff agrees that he will never again seek or obtain spiritual counselling or training or any other service from any Church of Scientology, Scientologist, Dianetics or Scientology auditor, Scientology minister, Mission of Scientology, Scientology organization or Scientology affiliated organization.

G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology.

H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make

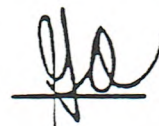


himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed.

I. The parties hereto agree that in the event of any future litigation between Plaintiff and any of the organizations, individuals or entities listed in Paragraph 1 above, that any past action or activity, either alleged in this lawsuit or activity similar in fact to the evidence that was developed during the course of this lawsuit, will not be used by either party against the other in any future litigation. In other words, the "slate" is wiped clean concerning past actions by any party.

J. It is expressly understood and agreed by Plaintiff that any dispute between Plaintiff and his counsel as to the proper division of the sum paid to Plaintiff by his attorney of record is between Plaintiff and his attorney of record and shall in no way affect the validity of this Mutual Release of All Claims and Settlement Agreement.

K. Plaintiff hereby acknowledges and affirms that he is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that his ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.

A handwritten signature, possibly reading 'Jo', is written over a horizontal line.



L. Notwithstanding the provisions of Paragraph 7(E) above, Plaintiff shall be entitled to retain any artwork created by him which concerns or relates to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above provided that such artwork never be disclosed either directly or indirectly, to anyone. In the event of a disclosure in breach of this Paragraph 7(L), Plaintiff shall be subject to the liquidated damages and constructive trust provisions of Paragraph 7(D) for each such breach.

8. Plaintiff further agrees that he waives and relinquishes any right or claim arising out of the conduct of any defendant in this case to date, including any of the organizations, individuals or entities as set forth in Paragraph 1 above, and the named defendants waive and relinquish any right or claim arising out of the conduct of Plaintiff to date.

9. This Mutual Release of All Claims and Settlement Agreement contains the entire agreement between the parties hereto, and the terms of this Agreement are contractual and not a mere recital. This Agreement may be amended only by a written instrument executed by Plaintiff and CSI. The parties hereto have carefully read and understand the contents of this Mutual Release of All Claims and Settlement Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically



incorporated herein shall be deemed to in any way exist or bind any of the parties hereto.

10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

11. The parties to this Agreement acknowledge the following:

A. That all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will;

B. That all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have obtained advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement; and

C. That all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

12. Each party shall bear its respective costs with respect to the negotiation and drafting of this Agreement and





all acts required by the terms hereof to be undertaken and performed by that party.

13. To the extent that this Agreement inures to the benefit of persons or entities not signatories hereto, this Agreement is hereby declared to be made for their respective benefits and uses.

14. The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

15. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

16. In the event any provision hereof be unenforceable, such provision shall not affect the enforceability of any other provision hereof.

17. All references to the plural shall include the singular and all references to the singular shall include the plural. All references to gender shall include both the masculine and feminine.

18.(A) Each party warrants that they have received independent legal advice from their attorneys with respect to the advisability of making the settlement provided for herein and in executing this Agreement.

(B) The parties hereto (including any officer, agent, employee, representative or attorney of or for any party) acknowledge that they have not made any statement,



representation or promise to the other party regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party (or of any officer, agent, employee, representative or attorney for the other party).

(C) The persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

(D) The parties hereto and their respective attorneys each agree not to disclose the contents of this executed Agreement. Nothing herein shall be construed to prevent any party hereto or his respective attorney from stating that this civil action has been settled in its entirety.

(E) The parties further agree to forbear and refrain from doing any act or exercising any right, whether existing now or in the future, which act or exercise is inconsistent with this Agreement.

19. Plaintiff has been fully advised by his counsel as to the contents of this document and each provision hereof. Plaintiff hereby authorizes and directs his counsel to dismiss with prejudice his claims now pending in the action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153.

20. Notwithstanding the dismissal of the lawsuit pursuant to Paragraph 4 of this Agreement, the parties hereto agree that the Los Angeles Superior Court shall retain

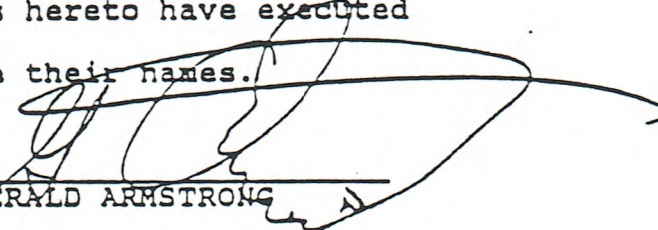


jurisdiction to enforce the terms of this Agreement. This Agreement may be enforced by any legal or equitable remedy, including but not limited to injunctive relief or declaratory judgment where appropriate. In the event any party to this Agreement institutes any action to preserve, to protect or to enforce any right or benefit created hereunder, the prevailing party in any such action shall be entitled to the costs of suit and reasonable attorney's fees.

21. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date opposite their names.

Dated: December 6, 1985

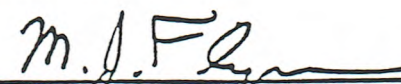
  
GERALD ARMSTRONG

  
Witness

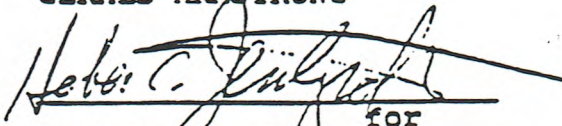
  
Witness

Dated: 12/6/86

APPROVED AS TO FORM AND  
CONTENT:

  
MICHAEL J. FLYNN  
Attorney for  
GERALD ARMSTRONG

Dated: December 11, 1986

  
for  
CHURCH OF SCIENTOLOGY  
INTERNATIONAL







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Attorneys for Plaintiff/Cross-Defendant CHURCH OF  
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CHURCH OF SCIENTOLOGY INTERNATIONAL

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Attorneys for Cross-Defendant  
RELIGIOUS TECHNOLOGY CENTER

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF  
CALIFORNIA, a California  
corporation,

Plaintiff,

vs.

GERALD ARMSTRONG; DOE 1 through  
DOE 10, inclusive,

Defendants.

GERALD ARMSTRONG,

Cross-Complainant,

vs.

CHURCH OF SCIENTOLOGY OF  
CALIFORNIA, a California  
corporation; L. RON HUBBARD;  
and DOES 1 through 100,  
inclusive,

Cross-Defendants.

CASE NO. C 420 153

NOTICE OF MOTION AND MOTION  
TO ENFORCE SETTLEMENT  
AGREEMENT; FOR LIQUIDATED  
DAMAGES AND TO ENJOIN  
FUTURE VIOLATIONS

[FILED UNDER SEAL]

Date: October 25, 1991  
Time: 9:00 a.m.  
Dept: 56



1 TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

2 PLEASE TAKE NOTICE that on October 25, 1991, at 9:00  
3 a.m., in Department 56 of the above-entitled Court, the  
4 Plaintiff/Cross-Defendant CHURCH OF SCIENTOLOGY OF CALIFORNIA  
5 and Cross-Defendants RELIGIOUS TECHNOLOGY CENTER and CHURCH OF  
6 SCIENTOLOGY INTERNATIONAL will and hereby do move this Court for  
7 an order enforcing the Settlement Agreement entered into between  
8 the parties in this case in December, 1986, pursuant to which  
9 judgment was entered herein (the "Agreement") as follows:

10 (1) Preliminarily and permanently enjoining  
11 Cross-complainant Gerald Armstrong from engaging in further  
12 activities which violate the terms of the settlement agreement,  
13 including, but not limited to:

14 (a) Disseminating the confidences of defendants  
15 or information concerning their experiences with  
16 defendants outside of the papers or proceedings of  
17 this lawsuit;

18 (b) Voluntarily assisting, aiding or  
19 cooperating with any person engaged in litigation  
20 adversely to defendants herein; and

21 (c) Voluntarily testifying or otherwise  
22 participating in any judicial, administrative or  
23 legislative proceeding adverse to defendants, unless  
24 compelled to do so by lawful subpoena or other  
25 lawful process;

26 (2) Awarding cross-defendants damages in the amount of One  
27 Hundred Thousand (100,0000) dollars as liquidated damages for  
28 breaches of the Agreement;



1 (3) Awarding cross-defendants attorneys fees and costs in  
2 connection with the making of this motion; and

3 (4) Such other and further relief as the Court deems  
4 necessary and appropriate.

5 This Motion is based upon the irreparable injury to  
6 defendants arising out of Armstrong's multiple and continuing  
7 breaches of the Agreement.

8 This Motion is also based upon the complete files and  
9 records of this case, the separately filed Memorandum of Points  
10 and Authorities, and any evidence which may be provided at oral  
11 argument or at an evidentiary hearing of such matters.

12 Dated: October 3, 1991

Respectfully submitted,

13  
14   
15 WILLIAM T. DRESCHER

16 Attorney for Cross-Defendant  
RELIGIOUS TECHNOLOGY CENTER

17 Eric M. Lieberman  
18 RABINOWITZ, BOUDIN, STANDARD,  
KRINSKY & LIEBERMAN, P.C.

19 Attorneys for Plaintiff and  
20 Cross-Defendant CHURCH OF  
SCIENTOLOGY OF CALIFORNIA

21 Kendrick L. Moxon  
22 Laurie J. Bartilson  
BOWLES & MOXON

23 Attorneys for Plaintiff/  
24 Cross-Defendant CHURCH OF  
SCIENTOLOGY OF CALIFORNIA and  
25 Cross-Defendant CHURCH OF  
SCIENTOLOGY INTERNATIONAL  
26  
27  
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1 disclose documents at issue in the case; or (4) disclose to  
2 anyone the terms of the Agreement itself. Armstrong also agreed  
3 that damages for violations of the nondisclosure provisions  
4 would be a liquidated amount of \$50,000 per disclosure.

5 Further, the parties agreed to entry of judgment by the Court  
6 pursuant to the terms of the Agreement, and agreed that this  
7 Court would retain continuing jurisdiction to enforce the terms  
8 of the Agreement.

9 Armstrong has recently embarked on a blatant course  
10 of deliberate violation of these key terms of his agreement. He  
11 has provided aid to adverse litigants Vicki Aznaran, Richard  
12 Aznaran and Joseph Yanny, providing them with paralegal  
13 services, unsubpoenaed testimony in the form of declarations,  
14 and even the provision of a copy of the settlement agreement,  
15 and a copy of a document from the files of this case as  
16 attachments for declarations which were then filed in their  
17 cases for use against the Church Parties. Further, the extent  
18 of Armstrong's violations and their continuing nature make it  
19 plain that nothing short of an order of this Court is likely to  
20 stop Armstrong from continuing to foment discord and litigation  
21 by others against the Church Parties, in direct violation of his  
22 Agreement. The Church Parties therefore request that this Court  
23 enter an Order: (1) enjoining Armstrong from any further  
24 violations of any of the provisions of the Agreement; and (2)  
25 awarding the Church Parties damages in the amount of One Hundred  
26 Thousand (100,000) Dollars, as liquidated damages for each of  
27 the breaches of the disclosure provisions documented below.



II.

PROCEDURAL HISTORY

This litigation was settled in December, 1986 through a 16 page settlement agreement, containing numerous provisions which were designed to protect the post-settlement rights and interests of the parties, and of the third-party beneficiaries to the Agreement.<sup>1/</sup> Mr. Armstrong received a portion of a total settlement paid to his attorney, Michael Flynn, in block settlement concerning all of Mr. Flynn's clients who were in litigation with any Church of Scientology or related entity. The exact amount of the portion of the settlement which Mr. Armstrong received was maintained as confidential between Mr. Flynn and Mr. Armstrong.

1. The signatories to the Agreement were Gerald Armstrong and the Church of Scientology International, by its president, Heber Jentzsch. [Ex. A at 16]. Mr. Armstrong's signature was witnessed by Jo Ann Richardson and Michael Sutter, and the Agreement was signed with approval as to form and content by Mr. Armstrong's attorney, Michael Flynn. [Id.] The third-party beneficiaries to the Agreement were named in paragraph 1 of the Agreement as follows:

"[T]he officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel of CSI as well as the Church of Scientology of California, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Religious Technology Center, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Author Services, Inc., its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and its trustee; and Mary Sue Hubbard. . . ."



1 As part of the block settlement of all of the Flynn cases,  
2 the Church parties sought to obtain peace, and an end to an era  
3 of nationwide litigation. In consequence, the Church parties  
4 bargained for and obtained agreements from Mr. Armstrong to  
5 provisions designed to ensure that his outspoken enmity for the  
6 Church parties would not revive once his settlement proceeds had  
7 all been spent. Specifically, Mr. Armstrong, with and upon the  
8 advice of his counsel, agreed to the following provisions in the  
9 Agreement:

10 [Armstrong] agrees not to testify or otherwise  
11 participate in any other judicial, administrative or  
12 legislative proceeding adverse to Scientology or any  
13 of the Scientology churches, individuals or entities  
14 listed in Paragraph 1 above unless compelled to do  
15 so by lawful subpoena or other process. [Armstrong]  
16 shall not make himself amenable to service of any  
17 such subpoena in a manner which invalidates the  
18 intent of this provision. Unless required to do so  
19 by such subpoena, [Armstrong] agrees not to discuss  
20 this litigation or his experiences with and  
21 knowledge of the Church with anyone other than  
22 members of his immediate family. As provided  
23 hereinafter in Paragraph 18(d), the contents of this  
24 Agreement may not be disclosed.

25 Exhibit A, Paragraph 7(H).

26 [Armstrong] agrees that he will not voluntarily  
27 assist or cooperate with any person adverse to  
28 Scientology in any proceeding against any of the  
[Church Parties]. . . .

Exhibit A, Paragraph 7(G).

[Armstrong] agrees that he will not assist or  
advise anyone, including individuals, partnerships,  
associations, corporations or governmental agencies  
contemplating any claim or engaged in litigation or  
involved in or contemplating any activity adverse to  
the interests of [the Church Parties].

Exhibit A, Paragraph 10.

[Armstrong] agrees that he will maintain strict  
confidentiality and silence with respect to his



1 experiences with the Church of Scientology and any  
2 knowledge or information he may have concerning the  
3 Church of Scientology, L. Ron Hubbard, or any of  
4 the organizations, individuals and entities listed  
5 in Paragraph 1 above. [Armstrong] expressly  
6 understands that the non-disclosure provisions of  
7 this subparagraph shall apply, inter alia, but not  
8 be limited, to the contents or substance of his  
9 complaint on file in [this action] or any documents  
10 as defined in Appendix "A" to this Agreement . . . .  
11 [Armstrong] agrees that if the terms of this  
12 paragraph are breached by him, that CSI and the  
other [Church Parties] would be entitled to  
liquidated damages in the amount of \$50,000 for each  
such breach. All monies received to induce or in  
payment for a breach of this Agreement, or any part  
thereof, shall be held in a constructive trust  
pending the outcome of any litigation over said  
breach. The amount of liquidated damages herein is  
an estimate of the damages that each party would  
suffer in the event this Agreement is breached. The  
reasonableness of the amount of such damages are  
hereto acknowledged by [Armstrong].

13 Exhibit A, Paragraph 7(D).

14 The parties hereto and their respective  
15 attorneys each agree not to disclose the contents of  
16 this executed Agreement. Nothing herein shall be  
construed to prevent any party hereto or his  
respective attorney from stating that this civil  
action has been settled in its entirety.

17 Exhibit A, Paragraph 18(D)

18 In addition to all of these substantive provisions, the  
19 parties agreed that this Court would retain jurisdiction over  
the matter for enforcement purposes as follows:

20 Notwithstanding the dismissal of the lawsuit  
21 pursuant to Paragraph 4 of this Agreement, the  
22 parties hereto agree that the Los Angeles Superior  
23 Court shall retain jurisdiction to enforce the terms  
24 of this Agreement. The Agreement may be enforced by  
25 any legal or equitable remedy, including but not  
26 limited to injunctive relief or declaratory judgment  
where appropriate. In the event any party to this  
Agreement institutes any action to preserve, to  
protect or to enforce any right or benefit created  
hereunder, the prevailing party in any such action  
shall be entitled to the costs of suit and  
reasonable attorney's fees.

27 Exhibit A, Paragraph 20.  
28



1 As demonstrated below, Armstrong has, beginning in June,  
2 1991 and continuing until the present, violated each of the  
3 provisions of the Agreement listed above. Because his conduct  
4 demonstrates not an isolated incident, but a self-confessed  
5 desire to repeat this misconduct over and over, the Church  
6 Parties seek injunctive relief as well as the liquidated damages  
7 to which they are entitled.

8 III.

9 ARMSTRONG HAS VIOLATED THE SETTLEMENT AGREEMENT

10 A. Armstrong Violated the Agreement By Providing Aid to  
11 Anti-Church Litigants Vicki and Richard Aznaran Through  
His Employment By Joseph A. Yanny as a Paralegal

12 Vicki and Richard Aznaran ("the Aznarans") are former  
13 Church members currently engaged in litigation against, inter  
14 alia, RTC and CSI, in the case of Vicki J. Aznaran, et al.  
15 v. Church of Scientology of California, et al., United States  
16 District Court for the Central District of California, Case No.  
17 CV 88-1786 JMI (Ex). In June, 1991, the Aznarans discharged  
18 their attorney, Ford Greene, and retained attorney Joseph A.  
19 Yanny to represent them. [Exs. B, C, D, E, Substitutions of  
20 Attorney.]<sup>2/</sup>

21 During his time as the Aznarans' counsel, Yanny hired  
22 Gerald Armstrong, in Yanny's own words, "as a paralegal to help  
23 [Yanny] on the Aznaran case." [Ex. F, Transcript of  
24 Proceedings in Religious Technology Center et al. v. Joseph  
25 A. Yanny, et al., LASC No. BC 033035 ("RTC v. Yanny"), p.

26 2. Yanny is former counsel for Church Parties, and his  
27 substitution into the case was later vacated by the Court sua  
28 sponte, the Court noting that Yanny's retention as the  
Aznarans' counsel was "highly prejudicial" to CSI and RTC. [Ex.  
Q, Order of July 24, 1991.]



1 25]. In a holographic declaration supplied by Armstrong to  
2 Yanny, Armstrong admitted that Yanny called him on July 10,  
3 1991, and asked for Armstrong's help in Yanny's proposed  
4 representation of the Aznarans [Ex. G, Declaration of Gerald  
5 Armstrong of July 19, 1991, para. 2]; that Armstrong agreed to  
6 help Yanny with the Aznaran case, and that he would travel to  
7 Los Angeles for that express purpose on July 12, 1991 [Id.,  
8 para. 3]; and that Armstrong asked Yanny to pay him \$500 for  
9 his services. [Id., para. 3.] Armstrong admits that he did  
10 travel to Los Angeles, did stay with Yanny on July 15 and 16,  
11 and wrote a declaration for Yanny and the Aznarans. [Id.,  
12 para. 4.] In a declaration dated July 31, 1991, as well as in  
13 open Court, Yanny admitted that he has hired Armstrong to act  
14 for him as a paralegal, in litigation against CSI and RTC. [Ex.  
15 H, Declaration of Joseph A. Yanny, July 31, 1991, para. 4,  
16 and Ex. F, supra.]

17 Armstrong's acceptance of this employment from Yanny to  
18 work on the Aznarans' litigation is a direct violation of  
19 Paragraphs 10 and 7(G) of the Agreement, see pages 4-5, supra.  
20 These paragraphs prohibit Armstrong from providing aid or advice  
21 to anyone engaged in or contemplating litigation which is  
22 adverse to the Church Parties. [Ex. A, paras. 7(g), 10.] The  
23 Aznarans are directly engaged in litigation with RTC and CSI,  
24 and Armstrong has provided aid to them by acting as Yanny's  
25 paralegal on their case. There could not be a clearer example  
26 of conduct which violates the letter and the intent of the  
27 Agreement. The only explanation, justification or excuse which  
28 Armstrong has offered for this conduct is that, "It is not only



1 the right of all men to respond to requests for help, it is our  
2 essence. If I was induced, therefore, to help Mr. Yanny, or  
3 anyone else, it was our Creator who induced me." [Ex. G, para.  
4 6.] However, Armstrong has no "right," God-given or otherwise,  
5 to provide aid to those whom he has expressly promised not to  
6 aid pursuant to a valid contractual agreement.

7 B. Armstrong Also Violated the Agreement By Aiding  
8 Yanny in Litigation Against the Church Parties.

9 After Yanny entered his appearance in the Aznarans' case,  
10 and indicated to Church counsel that he represented Gerald  
11 Armstrong as well, the Church Parties brought suit against Yanny  
12 in Los Angeles Superior Court, in the case of RTC v. Yanny,  
13 supra. In that action, the Church Parties sought and obtained  
14 a Temporary Restraining Order and a Preliminary Injunction  
15 against Yanny [Ex. I, Ex. J], which prohibit Yanny from  
16 aiding, advising or representing, directly or indirectly, the  
17 Aznarans or Armstrong, on any matters relating to the Church  
18 Parties.

19 At the hearings before the Court on the TRO and on the  
20 injunction, Yanny filed two declarations prepared and  
21 executed by Gerald Armstrong on July 16, 1991. [Exs. K and  
22 L.] Armstrong also asserts knowledge concerning settlements,  
23 including his own which he purportedly gleaned by working as a  
24 paralegal for yet another law firm, Flynn, Joyce and Sheridan  
25 [Ex. K, para. 2-5]. The declarations were offered by Yanny  
26 as part of Yanny's defense, which was ultimately rejected by the  
27 Court when it issued its injunction. [Ex. F at 31-34.]

28 Just as in the Aznarans' case, this aid provided by



1 Armstrong to Yanny, a litigant against the Church parties, was a  
2 direct violation of paragraphs 10 and 7(G) of the Agreement.  
3 Moreover, Armstrong attached as an exhibit to one of the  
4 declarations, Ex. K, a copy of the Agreement, the terms of  
5 which he had agreed to keep confidential. [Ex. A, para.  
6 18(d).] This disclosure of the terms of the Agreement is  
7 a violation of the non-disclosure agreement, requiring that  
8 Armstrong be assessed \$50,000 as liquidated damages. [Ex. A,  
9 para. 7(H).]

10  
11 C. Armstrong Violated the Agreement By Helping  
12 Ford Greene With the Aznaran Case

13 1. Armstrong is Providing Paralegal Services to Greene

14 Contrary to the persona of a "fearful" litigant Armstrong  
15 attempts to create in his litigation, Armstrong is brazenly and  
16 openly assisting adverse litigants and bragging about it to the  
17 Church Parties' counsel and staff. After Yanny's substitution  
18 into the Aznarans' case was summarily vacated, Ford Greene was  
19 reinstated as the Aznarans' counsel of record. In a letter to  
20 the Church Parties' counsel dated August 21, 1991, Armstrong  
21 admitted that he had been working at Greene's office with Greene  
22 on the Aznarans' case, helping him to prepare responses to  
23 summary judgment motions filed in that case. [Ex. M, p. 2.]  
24 Both Armstrong and Greene have freely admitted in sworn  
25 declarations that Greene is presently employing Armstrong as  
26 a paralegal in the Armstrong case. Armstrong himself  
27 describes these activities as follows:  
28



1 My help to Ford Greene in all of the papers  
2 recently filed has been in proofreading,  
3 copying, collating, hole-punching, stapling,  
4 stamping, packaging, labeling, air freighting and  
mailing. Mr. Greene and I have had several  
conversations during this period, some of which  
certainly concerned the litigation.

5 [Ex. N, Declaration of Gerald Armstrong (minus exhibits) at  
6 para. 18]. See also, Ex. O, Declaration of Ford Greene, para.  
7 7.

8 This conduct, like Armstrong's aid to Yanny in the  
9 Aznaran case, is a continuing violation of paragraphs 10 and  
10 7(G) of the Agreement. Again, the conduct is repeated and  
11 aggravated, and shows no sign of abating absent Court order.  
12 Armstrong can, and must, be enjoined from continuing to provide  
13 aid to the Aznarans, via Ford Greene's office, or in any other  
14 capacity.

15 2. Armstrong Has Provided a Declaration to the Aznarans,  
16 Which They Have Filed in Federal Court,  
Which Violates the Non-Disclosure Provisions  
17 of the Agreement

18 In addition to the paralegal services Armstrong claims he  
19 provided to the Aznarans, Armstrong also provided the Aznarans  
20 with a declaration, dated August 26, 1991, and filed in that  
21 case. [Ex. P] In that declaration, Armstrong describes some  
22 of his experiences with and concerning the Church Parties, in  
23 direct violation of paragraphs 7(H), 7(G) and 10 of the  
24 Agreement, and purports to authenticate copies of documents  
25 whose contents he agreed, in paragraph 10 of the Agreement,  
never to reveal. [Id., Exhibits 1 and 2].

26 In Paragraph 7(H) of the Agreement, Armstrong expressly  
27 agreed that, in the event that he did exactly what he has done --  
28



1 revealed to third parties his experiences and documents -- that  
2 he would pay to the Church Parties \$50,000 for each such  
3 violation as liquidated damaged. The provision provides, in  
4 relevant part,

5 [Armstrong] agrees that he will maintain strict  
6 confidentiality and silence with respect to his  
7 experiences with the Church of Scientology and any  
8 knowledge or information he may have concerning the  
9 Church of Scientology, L. Ron Hubbard, or any of  
10 the organizations, individuals and entities listed  
11 in Paragraph 1 above. [Armstrong] expressly  
12 understands that the non-disclosure provisions of  
13 this subparagraph shall apply, inter alia, but not  
14 be limited, to the contents or substance of his  
15 complaint on file in [this action] or any documents  
16 as defined in Appendix "A" to this Agreement . . . .  
17 [Armstrong] agrees that if the terms of this  
18 paragraph are breached by him, that CSI and the  
19 other [Church Parties] would be entitled to  
20 liquidated damages in the amount of \$50,000 for each  
21 such breach.

22 Exhibit P establishes unequivocally that Armstrong has  
23 breached this paragraph of the Agreement in the manner  
24 described. He must be ordered to pay to the Church Parties  
25 \$50,000 in liquidated damages for this breach.

#### 26 IV

#### 27 THE CHURCH PARTIES ARE ENTITLED TO THE RELIEF REQUESTED

28 When the parties have agreed upon the material terms of a  
settlement, "the agreement must be enforced by the Court."  
Greyhound Lines, Inc. v. Superior Court (1980) 98 Cal.App.3d  
604, 608, 159 Cal.Rptr. 657, 660; see also, C.C.P. §  
664.6. Here, the settlement of this case was entered by this  
Court as a final judgment. [Ex. Q.] Not only did the  
parties agree that this Court would retain jurisdiction to  
enforce the terms of the settlement agreement [Ex. A, para.  
20], but this Court has the inherent power as well to compel



1 obedience to its judgments and oversee and enforce execution of  
2 its decrees. C.C.P. § 128(4); Brown v. Brown (1971) 22  
3 Cal.App.3d 82, 84, 99 Cal.Rptr. 311, 312.

4 Armstrong received from CSI the full benefit of his  
5 bargain, and acknowledges, in the Agreement, receipt of payment  
6 in full by CSI. [Ex. A, para. 3, page 4.] His current series  
7 of violations of the Agreement are intentional, willful, and  
8 made with full knowledge that they are violations of that  
9 Agreement. The Church Parties are entitled to receive the  
10 benefit of their bargain, and obtain from this Court full  
11 enforcement of the settlement provisions.

12 This is not the first instance in which the Church Parties  
13 have had to resort to legal action in which to obtain the  
14 benefits of a settlement agreement reached with a former  
15 anti-Church litigant. In two recent actions, the Eleventh  
16 Circuit Court of Appeals upheld the Church Parties' efforts to  
17 enforce similar settlements.

18 First, in Wakefield v. Church of Scientology of  
19 California (11th Cir. 1991) \_\_ F.2d \_\_ (Slip. Op., Exhibit  
20 R hereto), CSC sought successfully to enforce a settlement  
21 agreement containing terms substantially similar to those which  
22 Armstrong has violated here. In Wakefield, as here:

23 The district court approved the settlement  
24 agreement, sealed the court files, and dismissed the  
25 case with prejudice. The dismissal order  
26 specifically gave the court jurisdiction to enforce  
the settlement terms. Nonetheless, Wakefield  
publicly violated the settlement agreement's  
confidentiality provisions.

27 Ex. R at 4626.

28 CSC moved to enforce the provisions of the settlement



1 agreement, and the district court ordered hearings before the  
2 magistrate judge. Id. The magistrate judge concluded that  
3 Wakefield had violated the agreement. The district court  
4 adopted that magistrate judge's findings, and issued a  
5 preliminary and permanent injunction prohibiting Wakefield from  
6 violating her agreement. Id. When Wakefield violated the  
7 injunction, again making media appearances, CSC sought an order  
8 to show cause why Wakefield should not be held in contempt. At  
9 an in camera proceeding, the magistrate judge found that  
10 Wakefield had willfully violated the injunction, and recommended  
11 that the case be referred to the United States Attorney's office  
12 for criminal contempt proceedings. Id., at 4628. The  
13 district court has not yet issued a final order on the contempt  
14 proceedings.

15 Although the district court's issuance of the injunction in  
16 Wakefield was not at issue in the Eleventh Circuit proceedings  
17 (which were an unsuccessful challenge by several newspapers to  
18 gain access to the closed proceedings), the Eleventh Circuit  
19 described in its opinion, "Wakefield's constant disregard and  
20 misuse of the judicial process," suggesting approval of the  
21 district court's actions. Id. at 4630.

22 Similarly, in McLean v. Church of Scientology of  
23 California, \_\_ F.2d \_\_ No. 89-3505 (11th Cir. 1991)  
24 (Exhibit S), plaintiff McLean also entered into a settlement  
25 agreement containing confidentiality provisions requiring her  
26 to return documents to defendant Church and prohibiting her  
27 from discussing the litigation with anyone outside her  
28 immediate family. Id. at 2. By her own testimony plaintiff



1 admitted to reacquiring certain documents and using them to  
2 "counsel" Church members. She further admitted to discussing  
3 certain aspects of the suit with people outside her immediate  
4 family. Id. at 3. As a result, the appellate court affirmed  
5 the district court order permanently enjoining McLean from  
6 disclosing any information about her lawsuit and the resulting  
7 Settlement Agreement entered into between the parties. Id. at 6.

8 Just as the district courts in Wakefield and McLean  
9 found it necessary to issue an injunction to enforce the  
10 agreement of the parties reached in that case, so must the  
11 Court herein enjoin Armstrong from further breaches.  
12 Armstrong's conduct is blatant and obviously willful; he has  
13 improperly helped lawyer after lawyer, and filed declaration  
14 after declaration which contain improper disclosures. Further,  
15 because Armstrong agreed to pay liquidated damages for his  
16 breaches, he must be ordered to pay the damages now owing to  
17 the Church Parties in the amount of \$100,000.

18 V.

19 CONCLUSION

20 This case was settled in 1986, and crossclaimant Armstrong  
21 agreed at that time to settlement provisions which were designed  
22 and intended to protect the Church Parties from conduct on the  
23 part of Armstrong designed to induce, foster and encourage other  
24 litigation against the Church Parties. The Church Parties  
25 sought peace; that is what they bargained for, that is what they  
26 paid a settlement for, and that is what Armstrong agreed to  
27 provide. Now, however, almost five years later, Armstrong has  
28 embarked on a series of activities in deliberate breach of his



1 Agreement; activities which are intentional, willful and fully  
2 intended to cause as much harm and dissension in on-going  
3 litigation as possible.

4 This Court has continuing jurisdiction to enforce the terms  
5 of the Agreement, and it must act now, before the rights of the  
6 Church Parties have been completely destroyed by Armstrong's  
7 improper conduct. Armstrong must be enjoined immediately from  
8 committing any further breaches of the settlement agreement, and  
9 he must be ordered to pay \$100,000 in liquidated damages to the  
10 Church Parties forthwith.

11 Dated: October 3, 1991

Respectfully submitted,

12  
13   
14 WILLIAM T. DRESCHER

15 Attorney for Cross-Defendant  
16 RELIGIOUS TECHNOLOGY CENTER

17 Eric M. Lieberman  
18 RABINOWITZ, BOUDIN, STANDARD,  
19 KRINSKY & LIEBERMAN, P.C.

20 Attorneys for Plaintiff and  
21 Cross-Defendant CHURCH OF  
22 SCIENTOLOGY OF CALIFORNIA

23 Kendrick L. Moxon  
24 Laurie J. Bartilson  
25 BOWLES & MOXON

26 Attorneys for Plaintiff/  
27 Cross-Defendant CHURCH OF  
28 SCIENTOLOGY OF CALIFORNIA and  
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FILED

FEB - 4 1992

HOWARD HANSON  
MARIN COUNTY CLERK  
by P. Fan, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY  
INTERNATIONAL, a California  
not-for-profit religious  
corporation;

Plaintiff,

vs.

GERALD ARMSTRONG; DOES 1  
through 25, inclusive,  
Defendants.

Case No. 152220

VERIFIED COMPLAINT FOR  
DAMAGES AND FOR  
PRELIMINARY AND PERMANENT  
INJUNCTIVE RELIEF FOR  
BREACH OF CONTRACT

Plaintiff, by its attorneys, Wilson, Ryan & Campilongo and  
Bowles & Moxon, alleges:

NATURE OF THE ACTION

1. In violation of the express terms and spirit of a  
settlement agreement ("the Agreement") entered into in December,  
1986, defendant Gerald Armstrong ("Armstrong") has embarked on a  
deliberate campaign designed to aid plaintiff's litigation  
adversaries, breach the confidentiality provisions of the Agreement,  
and foment litigation, hatred and ill-will toward



1 plaintiff.

2       2.       Five years ago, plaintiff Church of Scientology  
3 International ("CSI") entered into the Agreement with Armstrong, on  
4 its own behalf and for the benefit of numerous third-party  
5 beneficiaries. The Agreement provided for a mutual release and  
6 waiver of all claims arising out of a cross-complaint which  
7 defendant Armstrong had filed in the case of Church of Scientology  
8 of California v. Gerald Armstrong, Los Angeles Superior Court No. C  
9 420153. Armstrong, a former Church member who sought, by both  
10 litigation and covert means, to disrupt the activities of his former  
11 faith, displayed through the years an intense and abiding hatred for  
12 the Churches, and an eagerness to annoy and harass his former co-  
13 religionists by spreading enmity and hatred among members and former  
14 members. Plaintiff sought, with the Agreement, to end all of  
15 Armstrong's covert activities against it, along with the litigation  
16 itself. For that reason, the Agreement contained carefully  
17 negotiated and agreed-upon confidentiality provisions and provisions  
18 prohibiting Armstrong from fomenting litigation against plaintiff by  
19 third parties. These provisions were bargained for by plaintiff to  
20 put an end to the enmity and strife generated by Mr. Armstrong once  
21 and for all.

22       3. This action arises out of deliberate and repeated breaches  
23 by Armstrong of these and other express provisions of the settlement  
24 Agreement. Although plaintiff fully performed all of its  
25 obligations under the Agreement, Armstrong appears to consider that  
26 his obligations under the Agreement ended as soon as he had finished  
27 spending the money he extracted from plaintiff as the price of his  
28 signature. In June, 1991, Armstrong began a systematic campaign to



1 foment litigation against plaintiff by providing confidential  
2 information, copies of the Agreement, declarations, and "paralegal"  
3 assistance to litigants actively engaged in litigation against his  
4 former adversaries. Although plaintiff has repeatedly demanded that  
5 Armstrong end his constant and repeated breach of the provisions of  
6 the Agreement, Armstrong appears to delight in renewing his annoying  
7 and harassing activities, admitting to them in sworn declarations,  
8 and refusing to end his improper liaisons.

9 4. With this complaint, plaintiff seeks the Court's aid in  
10 obtaining the peace for which it bargained more than five years ago.  
11 Plaintiff requests liquidated damages pursuant to the terms of the  
12 Agreement, as well as injunctive relief to prevent additional and  
13 future breaches of the Agreement by Armstrong.

#### 14 THE PARTIES

15 5. Plaintiff Church of Scientology International is a non-  
16 profit religious corporation incorporated under the laws of the  
17 State of California, having its principal offices in Los Angeles,  
18 California. Plaintiff CSI is the Mother Church of the Scientology  
19 religion.

20 6. Defendant Gerald Armstrong is a resident of Marin County,  
21 California.

22 7. Plaintiff is ignorant of the names and capacities of the  
23 defendants identified as DOES 1 through 25, inclusive, and thus  
24 brings suit against those defendants by their true names upon the  
25 ascertainment of their true names and capacities, and their  
26 responsibility for the conduct alleged herein.

27 / / /

28 / / /



THE CONTRACT

8. On or about December 6, 1986, CSI and Armstrong entered into a written confidential settlement Agreement, described in Paragraph 1 of this Complaint.

9. The Agreement was entered into by plaintiff and defendant Armstrong, with the participation of their respective counsel after full negotiation. Each provision of the Agreement was carefully framed by the parties and their counsel to accurately reflect the agreement of the parties.

10. Plaintiff specifically negotiated for and obtained from Armstrong the provisions in the Agreement delineated in paragraphs 7(D), 7(H), 7(G), 10 and paragraphs 12 through 18, because it was well aware, through investigation, that Armstrong had undertaken a series of covert activities, apart from the litigation, which were intended by Armstrong to discredit Church leaders, spark government raids into the churches, create phony "evidence" of wrongdoing against the Churches, and, ultimately, destroy the Churches and their leadership.

11. In November, 1984, Armstrong was plotting against the Scientology Churches and seeking out staff members in the church who would be willing to assist him in overthrowing Church leadership. The church obtained information about Armstrong's plans and, through a police-sanctioned investigation, provided Armstrong with the "defectors" he sought. On four separate occasions in November, 1984, Armstrong met with two individuals that he considered to be defectors, whom he knew as "Joey" and "Mike." In reality, both "Joey" and "Mike" were loyal Church members who, with permission from the Los Angeles police, agreed to have their conversations with



1 Armstrong surreptitiously videotaped. during the course of these  
2 conversations, Armstrong:

3 a. Demanded that "Joey" provide him with copies  
4 of documents published by the Churches so that he could forge  
5 documents in the same style. Armstrong wanted "Joey" to then  
6 plant these Armstrong creations in the Church's files so that  
7 Armstrong could tip off the Internal Revenue Service Criminal  
8 Investigations Division ("CID"), and the incriminating  
9 documents would be found in a resulting raid;

10 b. Sought to "set up" the defection of a senior  
11 Scientologist by finding a woman to seduce him;

12 c. Told "Joey" all about his conversations with Al  
13 Lipkin, an investigator for the L.A. CID, and attempted  
14 to get "Joey" to call Lipkin and give him false information  
15 that would implicate the church's leaders in the misuse of  
16 donations; and

17 d. Instructed "Mike" on the methods of creating a  
18 lawsuit against the church leadership based on nothing at  
19 all:

20 ARMSTRONG: They can allege it. They can  
21 allege it. They don't even have -- they can  
22 allege it.

23 RINDER: So they don't even have to have the  
24 document sitting in front of them and then--

25 ARMSTRONG: F\_\_\_\_ing say the organization destroys  
26 the documents.

27 \* \* \*

28 Where are the -- we don't have to prove a goddamn  
thing. We don't have to prove s\_\_t; we just have to  
allege it.

/ / /



Given Armstrong's propensity to create trouble for the Churches regardless of truth, the Churches naturally considered such provisions to be an integral and necessary part of any settlement.

13. CSI paid to Mr. Flynn the lump sum settlement amount.

15. Plaintiff CSI has performed all of its obligations pursuant to the Agreement.

(Against Armstrong for Breach of Contract)

18. In June, 1991, the Aznarans discharged their attorney, Ford Greene, and retained attorney Joseph A. Yanny to represent them.







1 as well, CSI brought suit against Yanny in the case of Religious  
2 Technology Center, et al. v. Joseph A. Yanny, et al., Los Angeles  
3 Superior Court No. BC 033035 ("RTC v. Yanny"). In that action,  
4 plaintiff sought and obtained a Temporary Restraining Order and a  
5 Preliminary Injunction against Yanny, which prohibit Yanny from  
6 aiding, advising, or representing, directly or indirectly, the  
7 Aznarans or Armstrong, on any matters relating to the plaintiff.

8 27. At the hearings before the Court on the temporary  
9 restraining order and the injunction, Yanny filed two declarations  
10 prepared and executed by Armstrong on July 16, 1991. The  
11 declarations were offered by Yanny as part of Yanny's defense, which  
12 was ultimately rejected by the Court when it issued its injunction.

13 28. Armstrong's aid to Yanny in the RTC v. Yanny case is a  
14 direct violation of Paragraphs 7(G) and 10 of the Agreement.

15 29. Armstrong attached as an exhibit to one of his July 16,  
16 1991 declarations a copy of the Agreement, the terms of which he had  
17 agreed, pursuant to paragraph 18(D), to keep confidential. This  
18 disclosure of the terms of the Agreement is a violation of its non-  
19 disclosure provisions, requiring that Armstrong pay to CSI, RTC and  
20 CSC \$50,000 in liquidated damages.

21 30. Despite demand by plaintiff, Armstrong has failed and  
22 refused to pay them the \$50,000 owed in liquidated damages for this  
23 breach of the Agreement.

### 24 THIRD CAUSE OF ACTION

25 (Against All Defendants for Breach of Contract)

26 31. Plaintiff realleges paragraphs 1 - 15, 17-23, 26-30,  
27 inclusive, and incorporates them herein by reference.

28 32. After Yanny's substitution into the Aznarans' case was



1 summarily vacated, Ford Greene was reinstated as the Aznarans'  
2 counsel of record. Ford Greene's law offices are located in San  
3 Anselmo, California.

4 33. In or about August, 1991, Armstrong began working in Ford  
5 Greene's office for Greene as a paralegal on the Aznarans' case.  
6 Armstrong's employment in Greene's office has continued to the  
7 present. Armstrong's activities constitute a daily and continuing  
8 breach of his contract, rendering plaintiff's bargain a nullity.

9 34. Plaintiff CSI has already incurred, and continues to incur,  
10 damages as a direct and proximate result of Armstrong's provision of  
11 aid to Greene in the Aznarans' case. Those damages are not  
12 presently calculable and will cease only when Armstrong is ordered  
13 to stop his improper conduct. In no event, however, are they less  
14 than \$800,000. Consequently, for this breach plaintiff seeks  
15 compensatory and consequential damages according to proof.

16 FOURTH CAUSE OF ACTION

17 (Against All Defendants for Breach of Contract)

18 35. Plaintiff realleges paragraphs 1-15, 17-23, 26-30, 32-34,  
19 inclusive, and incorporates them herein by reference.

20 36. In addition to the paralegal services which Armstrong has  
21 provided to Ford Greene on the Aznarans' litigation, Armstrong also  
22 provided the Aznarans with a declaration, dated August 26, 1991, and  
23 filed in the Aznarans' case. In that declaration, Armstrong  
24 describes some of his alleged experiences with and concerning  
25 plaintiff, and purports to authenticate copies of certain documents.  
26 These actions and disclosures are violations of Paragraphs 7(G),  
27 7(H) and 10 of the Agreement, requiring that Armstrong pay to CSI  
28 and RTC \$50,000 in liquidated damages.



1 37. Despite demand by plaintiff, Armstrong has failed and  
2 refused to comply with the liquidated damages provision by paying  
3 \$50,000 to plaintiff as demanded for this breach of the Agreement.

4 **FIFTH CAUSE OF ACTION**

5 (Against All Defendants for Injunctive Relief)

6 38. Plaintiff realleges paragraphs 1-15, 17-23, 26-30, 32-34,  
7 36-37, inclusive, and incorporates them herein by reference.

8 39. As a direct and proximate result of Armstrong's breach of  
9 the agreement by providing assistance to Greene in the Aznarans'  
10 litigation, which breach is, on information and belief, persistent  
11 and continuing, CSI is and will continue to be irreparably harmed,  
12 and unless Armstrong and those acting in concert with him are  
13 temporarily, preliminarily and permanently enjoined from continuing  
14 that unlawful conduct, further irreparable harm will be caused to  
15 CSI.

16 40. Further, as a direct and proximate result of Armstrong's  
17 breach of the agreement by providing assistance to Yanny in Yanny's  
18 litigation, which breach is, on information and belief, persistent  
19 and continuing, CSI is and will continue to be irreparably harmed,  
20 and unless Armstrong and those acting in concert with him are  
21 temporarily, preliminarily and permanently enjoined from continuing  
22 that unlawful conduct, further irreparable harm will be caused to  
23 CSI.

24 WHEREFORE, plaintiff prays for judgment as follows:

25 **ON THE FIRST CAUSE OF ACTION**

26 1. For compensatory and consequential damages according to  
27 proof, but in no event less than \$800,000.

28 2. For attorneys' fees and costs of suit.



ON THE SECOND CAUSE OF ACTION

1. For liquidated damages in the amount of \$50,000.
2. For attorneys' fees and costs of suit.

ON THE THIRD CAUSE OF ACTION

1. For compensatory and consequential damages according to proof, but in no event less than \$800,000.
2. For attorneys' fees and costs of suit.

ON THE FOURTH CAUSE OF ACTION

1. For liquidated damages in the amount of \$50,000.
2. For attorneys' fees and costs of suit.

ON THE FIFTH CAUSE OF ACTION

1. For a temporary restraining order, preliminary injunction and a permanent injunction enjoining defendants from violating the terms of the Agreement.

ON ALL CAUSES OF ACTION

1. For such other and further relief as the Court may deem just and proper.

DATED: February 4, 1992

WILSON, RYAN & CAMPILONGO

By: \_\_\_\_\_

Andrew H. Wilson

Laurie J. Bartilson  
BOWLES & MOXON

Attorneys for Plaintiff  
Church of Scientology  
International

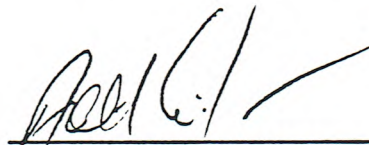


VERIFICATION

I, ANDREW H. WILSON, declare as follows:

I am one of the attorneys for the Plaintiff Church of Scientology International in the above-entitled matter. I have read the foregoing Verified Complaint for Damages and for Preliminary and Permanent Injunctive Relief for Breach of Contract and know the contents thereof, which are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters, I believe it to be true.

I declare under the penalty of perjury pursuant to the laws of the State of California that the foregoing is true and correct. Executed on February 4, 1992, at San Francisco, California.

  
\_\_\_\_\_  
ANDREW H. WILSON

WILSON, RYAN & CAMPILONGO  
235 Montgomery Street, Suite 450  
San Francisco, California 94104







SCJ02-003  
realing

FILE

FEB 27 1992

HOWARD HANSON  
MARIN COUNTY CLERK  
By J Steele, Deputy

HUB LAW OFFICES  
Ford Greene, Esquire  
California State Bar No. 107601  
711 Sir Francis Drake Boulevard  
San Anselmo, California 94960-1949  
Telephone: (415) 258-0360

Attorney for Defendant  
GERALD ARMSTRONG

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY )  
INTERNATIONAL, a California )  
not-for-profit religious )  
corporation; )  
Plaintiffs, )  
vs. )  
GERALD ARMSTRONG; DOES 1 )  
through 25, inclusive, )  
Defendants. )

No. 152 229

MOTION TO DISQUALIFY  
DEPARTMENT FIVE, THE  
HONORABLE WILLIAM H. STEPHENS,  
PURSUANT TO CODE OF CIVIL  
PROCEDURE SECTION 170.6

FORD GREENE, declares:

1. I am an attorney for GERALD ARMSTRONG, defendant in the within action.

2. That the Honorable William H. Stephens, Department 5, the judge before whom the hearing on plaintiff's order to show cause re preliminary injunction has been assigned, is prejudiced against my client and/or me, or the interest of my client and/or me so that declarant cannot or believes that he cannot have a fair and impartial hearing before said judge.


///

COPY



1 Under penalty of perjury pursuant to the laws of the State of  
2 California I hereby declare that the foregoing is true and correct  
3 according to my first-hand knowledge, except those matters stated  
4 to be on information and belief, and as to those matters, I  
5 believe them to be true.

6 Executed on February 26, 1992, at San Anselmo, California

7   
8 FORD GREENE



PROOF OF SERVICE

I am employed in the County of Marin, State of California. I am over the age of eighteen years and am not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California. I served the following

documents:       MOTION TO DISQUALIFY DEPARTMENT FIVE, THE HONORABLE  
                    WILLIAM H. STEPHENS, PURSUANT TO CODE OF CIVIL  
                    PROCEDURE SECTION 170.6

on the following person(s) on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

Andrew H. Wilson  
WILSON, RYAN & CAMPILONGO  
235 Montgomery Street, Suite 450  
San Francisco, California 94104

☒ (By Mail)       I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.

☐ Personal Service)       I caused such envelope to be delivered by hand to ANDREW H. WILSON.

☒ (State)       I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

☐ (Federal)       I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

DATED:       February 27, 1992

A large, stylized handwritten signature in dark ink, appearing to be 'J. L. ...', is written over the signature line.







**FILED**

MAR - 5 1992

HOWARD HANSON  
MARIN COUNTY CLERK  
By *Am. Couper*, Deputy

1 Andrew H. Wilson  
WILSON, RYAN & CAMPILONGO  
2 235 Montgomery Street  
Suite 450  
3 San Francisco, California 94104  
(415) 391-3900

4 Laurie J. Bartilson  
5 BOWLES & MOXON  
6255 Sunset Boulevard  
6 Suite 2000  
Hollywood, California 90028  
7 (213) 661-4030

8 Attorneys for Plaintiff  
9 CHURCH OF SCIENTOLOGY INTERNATIONAL

## SUPERIOR COURT OF THE STATE OF CALIFORNIA

## FOR THE COUNTY OF MARIN

12 CHURCH OF SCIENTOLOGY )  
INTERNATIONAL, a California )  
13 not-for-profit religious )  
corporation; )

Case No. 152229

TEMPORARY RESTRAINING ORDER

14 Plaintiff,

15 vs.

16 GERALD ARMSTRONG; DOES 1  
17 through 25, inclusive,

18 Defendants.

19  
20 Plaintiff's application for a Temporary Restraining Order was  
21 heard by the Court on this 3rd day of March, 1992, and good cause  
22 appearing therefor,

## IT IS HEREBY ORDERED:

23  
24 1. Pending the hearing on Plaintiff's Motion for a  
25 Preliminary Injunction, to be heard by the Court on March 20, 1992  
26 at 9:00 a.m., Defendant Gerald Armstrong ("Armstrong" or  
27 "Defendant"), his agents ~~and all those acting in concert with him,~~  
28 are hereby temporarily enjoined from violation of that certain

WILSON, RYAN & CAMPILONGO  
235 Montgomery Street, Suite 450  
San Francisco, California 94104



1 Settlement Agreement ("Agreement") dated December 6, 1986, including  
2 the following:

3 2. Armstrong is restrained from violating Paragraph 7(d)  
4 which prohibits Armstrong from creating or publishing books or  
5 magazine articles, disclosing his experiences with Scientology, and  
6 any knowledge or information he may have concerning the Church of  
7 Scientology, L. Ron Hubbard, or any of the organizations listed in  
8 Paragraph 1 of the Agreement ("Scientology organizations")  
9 affiliated therewith, disclosing documents identified in Exhibit A  
10 to the Settlement Agreement, including films, tapes, photographs,  
11 recordings or variations or copies of any such materials which  
12 concern or relate to the religion of Scientology, L. Ron Hubbard or  
13 any of the Scientology organizations;

14 3. Defendant is restrained from violating the provisions of  
15 Paragraph 7(g) which prohibits Defendant from voluntarily assisting  
16 or cooperating with any person adverse to Scientology in any  
17 proceeding against any of the Scientology organizations, or from  
18 cooperating in any manner with any organizations aligned against  
19 Scientology;

20 4. Defendant is restrained from violating the provisions of  
21 Paragraph 7(h) which prohibits Defendant from testifying or  
22 participating in judicial or administrative proceedings adverse to  
23 Scientology or any of the Scientology organizations unless compelled  
24 to do so by subpoena or lawful process;

25 5. Defendant is restrained from violating the provisions of  
26 Paragraph 10, which prohibits Defendant from assisting or advising  
27 anyone, including individuals, partnerships, associations,  
28 corporations, or governmental entities contemplating any claim or



1 engaged in litigation or involved in or contemplating any activity  
2 adverse to the interests of any of the Scientology organizations;

3 6. Defendant is restrained from violating the provisions of  
4 Paragraph 18(d), which prohibits Defendant from disclosing the  
5 contents of the Agreement;

6 7. Nothing in this Order shall be construed to prohibit  
7 Armstrong from working in the employ of, or as an independent  
8 contractor for, Ford Greene on matters not involving the Church of  
9 Scientology International or any of the Scientology organizations.

MICHAEL B. DUFFICY

10 DATED: 3 / 5, 1992.

JUDGE OF THE SUPERIOR COURT

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**EXHIBIT G**



**FILED**

MAR 24 1992

HOWARD HANSON  
MARIN COUNTY CLERK  
By A. Cooper, Deputy

1 Andrew H. Wilson  
2 WILSON, RYAN & CAMPILONGO  
3 235 Montgomery Street  
4 Suite 450  
5 San Francisco, California 94104  
6 (415) 391-3900

7 Laurie J. Bartilson  
8 BOWLES & MOXON  
9 6255 Sunset Boulevard  
10 Suite 2000  
11 Hollywood, California 90028  
12 (213) 661-4030

13 Attorneys for Plaintiff  
14 CHURCH OF SCIENTOLOGY INTERNATIONAL

## SUPERIOR COURT OF THE STATE OF CALIFORNIA

## FOR THE COUNTY OF MARIN

15 CHURCH OF SCIENTOLOGY )  
16 INTERNATIONAL, a California )  
17 not-for-profit religious )  
18 corporation; )

Plaintiff,

vs.

19 GERALD ARMSTRONG; DOES 1 )  
20 through 25, inclusive, )

Defendants.

Case No. 152229

ORDER RE DEFENDANT'S  
MOTION TO DISMISS OR STAY  
OR TRANSFER TO LOS ANGELES  
SUPERIOR COURT

21 Defendant's motion for a change of venue was heard on March 20,  
22 1992 at 9:00 a.m. in the above-entitled Court. Plaintiff was  
23 represented by Wilson, Ryan and Campilongo, Andrew H. Wilson  
24 appearing, and by Bowles and Moxon, Laurie J. Bartilson appearing.  
25 Defendant was represented by Ford Greene.

26 Whereas, the Honorable Bruce R. Geernaert of the Los Angeles  
27 Superior Court, having replaced Paul G. Breckenridge, Jr., in Church  
28 of Scientology of California v. Gerald Armstrong, Los Angeles  
Superior Court Case No. C 420 153, narrowly ruled on December 23,

WILSON, RYAN & CAMPILONGO  
235 Montgomery Street, Suite 450  
San Francisco, California 94104



1 1991 that pursuant to Code of Civil Procedure sections 127(a)(4) and  
2 664.4 he did not have jurisdiction to enforce the Mutual Release of  
3 All Claims and Settlement Agreement executed December 6, 1986; and

4 Whereas, Paragraph 20 of said Agreement is nevertheless  
5 effective as a forum selection clause which this court may enforce  
6 under Smith v. Superior Court (1986); and

7 Having reviewed the written arguments and evidence submitted by  
8 the parties, and having heard the arguments of counsel,

9 It is therefore ORDERED as follows:

10 1. Defendant's motion to transfer the file in Marin County  
11 Superior Court Case No. 152229 is GRANTED.

12 a. It is FURTHER ORDERED that the file herein shall be  
13 transferred to James H. Dempsey, Executive Officer and Clerk of the  
14 superior court of Los Angeles, 111 North Spring Street, Los Angeles,  
15 California, 90012 immediately after the expiration of twenty (20)  
16 days of the date of this Order as required by Code of Civil  
17 Procedure sections 399 and 400, the parties hereto waiving the  
18 written notice required by Code of Civil Procedure Section 400.

19 b. It is FURTHER ORDERED that pursuant to Code of Civil  
20 Procedure section 399 Plaintiff shall pay the costs of transfer of  
21 the file to Los Angeles Superior Court.

22 c. It is FURTHER ORDERED that this Court shall retain  
23 jurisdiction to determine, upon noticed motion, whether Defendant  
24 should be awarded fees and costs in connection with the bringing of  
25 the Motion to Transfer and to enforce, if necessary, Paragraphs 2.b.  
26 through f. until the earlier of May 4, 1992 or the date a  
27 preliminary injunction motion is appealed or denied in the Los  
28 Angeles Superior Court.



1        2. This Court's order of March 5, 1992 is hereby extended<sup>#20.</sup>  
2 through and including the earlier of May 4, 1992, <sup>or further order of the court.</sup> ~~for the date that a~~  
3 ~~preliminary injunction is granted or denied by the Los Angeles~~ F6  
4 ~~Superior Court.~~ Defendant Gerald Armstrong and his agents are  
5 hereby enjoined from violation of that certain Settlement Agreement  
6 ("Agreement") dated December 6, 1986, including the following:

7        a. Armstrong is restrained from violating Paragraph 7(d)  
8 which prohibits Armstrong from creating or publishing books or  
9 magazine articles, disclosing his experiences with Scientology, and  
10 any knowledge or information he may have concerning the Church of  
11 Scientology, L. Ron Hubbard, or any of the organizations listed in  
12 Paragraph 1 of the Agreement ("Scientology organizations")  
13 affiliated therewith, disclosing documents identified in Exhibit A  
14 to the Settlement Agreement, including films, tapes, photographs,  
15 recordings or variations or copies of any such materials which  
16 concern or relate to the religion of Scientology, L. Ron Hubbard or  
17 any of the Scientology organizations;

18        b. Defendant is restrained from violating the provisions  
19 of Paragraph 7(g) which prohibits Defendant from voluntarily  
20 assisting or cooperating with any person adverse to Scientology in  
21 any proceeding against any of the Scientology organizations, or from  
22 cooperating in any manner with any organizations aligned against  
23 Scientology;

24        c. Defendant is restrained from violating the provisions  
25 of Paragraph 7(h) which prohibits Defendant from testifying or  
26 participating in judicial or administrative proceedings adverse to  
27 Scientology or any of the Scientology organizations unless compelled  
28 to do so by subpoena or lawful process;



1 d. Defendant is restrained from violating the provisions  
2 of Paragraph 10, which prohibits Defendant from assisting or  
3 advising anyone, including individuals, partnerships, associations,  
4 corporations, or governmental entities contemplating any claim or  
5 engaged in litigation or involved in or contemplating any activity  
6 adverse to the interests of any of the Scientology organizations;

7 e. Defendant is restrained from violating the provisions  
8 of Paragraph 18(d), which prohibits Defendant from disclosing the  
9 contents of the Agreement;

10 f. Nothing in this Order shall be construed to prohibit  
11 Armstrong from working in the employ of, or as an independent  
12 contractor for, Ford Greene on matters not involving the Church of  
13 Scientology International or any of the Scientology organizations.

14 DATED 3/24, 1992. MICHAEL B. DUFFICY  
15 JUDGE OF THE SUPERIOR COURT

16 Approved as to form:  
17

18 Ford Greene, Esq.  
19 Attorney for Defendant Gerald  
20 Armstrong  
21  
22  
23  
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27  
28







## SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992

Honorable Ronald M. Sohigian, Judge

1

M. Cervantes, Deputy Clerk

None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For  
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For  
Defendant

## No Appearances

**NATURE OF PROCEEDINGS:** RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

In this matter heretofore taken under submission on May 27, 1992, the court now makes the following ruling.

1 Plaintiff's legal remedies are inadequate insofar as the scope of relief ordered below is concerned, but not otherwise. CCP 526(4) and (5).

2 The threatened acts which are restrained by the order referred to below, but only those threatened acts, would do irreparable harm to plaintiff which could not be compensated by monetary damages. CCP 526(2).

3 On the basis of the instant record, there is a reasonable probability that plaintiff will prevail after trial of this case in the respects restrained by this order. CCP 526(1); cf., San Francisco Newspaper Printing Co., Inc. vs. Superior Court (Miller) (1985) 170 Cal. App. 3d 438.

4 Plaintiff is likely to suffer greater injury from denial of the preliminary injunction the terms of which are set out below than the injury which defendant is likely to suffer if it is granted. See Robbins vs. Superior Court (County of Sacramento) (1985) 38 Cal. 3d 199, 206.

5 The granting of a preliminary injunction in the terms set out below will preserve the status quo pending trial.



## SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992

Honorable Ronald M. Sohigian, Judge  
1aM. Cervantes, Deputy Clerk  
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For  
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For  
Defendant

No Appearances

---

**NATURE OF PROCEEDINGS:** RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

6 Application for preliminary injunction is granted in part, in the following respects only.

Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of court from doing directly or indirectly any of the following:

Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986 regarding such claim or regarding pressing, arbitrating, or litigating it.

Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986.

The court does not intend by the foregoing to prohibit defendant Armstrong from: (a) being reasonably available for the service of subpoenas on him; (b) accepting service of subpoenas on him without physical resistance, obstructive tactics, or flight; (c) testifying fully and fairly in response to properly put questions either in deposition, at trial, or in other legal or arbitration proceedings; (d) properly reporting or disclosing to authorities criminal conduct of the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986; or (e) engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order.



## SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992

Honorable Ronald M. Schigian, Judge

1b

M. Cervantes, Deputy Clerk

None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For  
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For  
Defendant

## No Appearances

**NATURE OF PROCEEDINGS:** RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

The application for preliminary injunction is otherwise denied.

7 The restraints referred to in sec. 6, above, will become effective upon plaintiff's posting an undertaking in the sum of \$70,000 pursuant to CCP 529(a) by 12:00 noon on June 5, 1992.

8 The restraints referred to in sec. 6, above, properly balance and accommodate the policies inherent in: (a) the protectable interests of the parties to this suit; (b) the protectable interests of the public at large; (c) the goal of attaining full and impartial justice through legitimate and properly informed civil and criminal judicial proceedings and arbitrations; (d) the gravity of interest involved in what the record demonstrates defendant might communicate in derogation of the contractual language; and (e) the reasonable interpretation of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986. The fair interpretation of all the cases cited by the parties indicates that this is the correct decisional process. The law appropriately favors settlement agreements. Obviously, one limitation on freedom of contract is "public policy"; in determining what the scope of the public policy limitation on the parties' rights to enforcement of their agreement in the specific factual context of this case, the court has weighed the factors referred to in the first sentence of this section. Litigants have a substantial range of contractual freedom, even to the extent of agreeing not to assert or exercise rights which they might otherwise have. The instant record shows that plaintiff was substantially compensated as an aspect of the agreement, and does not persuasively support defendant's claim of duress or that the issues involved in this preliminary injunction proceeding were precluded by any prior decision.



## SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992  
Honorable Ronald M. Sohigian, Judge  
1c

M. Cervantes, Deputy Clerk  
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International  
vs.

Counsel For  
Plaintiff

Gerald Armstrong, et al.

Counsel For  
Defendant

No Appearances

**NATURE OF PROCEEDINGS:** RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

9 The court does not dispositively decide the underlying merits of the case except for this preliminary determination. CCP 526(1); Baypoint Mortgage Corp. vs. Crest Premium Real Estate etc. Trust (1985) 168 Cal. App. 3d 818, 823.

10 Plaintiff is ordered give written notice by mail by June 5, 1992, including in that written notice a statement regarding whether plaintiff has or has not posted the undertaking referred to in sec. 7, above, and attaching to that written notice evidence showing that the undertaking has been posted if that is the fact.

DATED: May 28, 1992.

RONALD M. SOHIGIAN  
\_\_\_\_\_  
RONALD M. SOHIGIAN  
Judge of the Superior Court

A copy of this minute order is sent to counsel via United States mail this date.





ORIGINAL FILED

JUN 05 1992

LOS ANGELES  
SUPERIOR COURT

Andrew H. Wilson  
WILSON, RYAN & CAMPILONGO  
235 Montgomery Street  
Suite 450  
San Francisco, California 94104  
(415) 391-3900

Laurie J. Bartilson  
BOWLES & MOXON  
6255 Sunset Boulevard  
Suite 2000  
Hollywood, California 90028  
(213) 661-4030

Attorneys for Plaintiff  
CHURCH OF SCIENTOLOGY INTERNATIONAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY	)	Case No. BC 052395
INTERNATIONAL, a California	)	
not-for-profit religious	)	NOTICE OF RULING
corporation;	)	
	)	
Plaintiff,	)	
	)	
vs.	)	
	)	
GERALD ARMSTRONG; DOES 1	)	
through 25, inclusive,	)	
	)	
	)	
Defendants.	)	

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on May 28, 1992, the Honorable Ronald M. Sohigian, Judge of the Los Angeles Superior Court, entered an Order granting in part plaintiff's motion for preliminary injunction. A true and correct copy of the order so entered is attached hereto as Exhibit A.

PLEASE TAKE FURTHER NOTICE that plaintiff has posted the undertaking referred to in paragraph 7 of the Order, evidence of



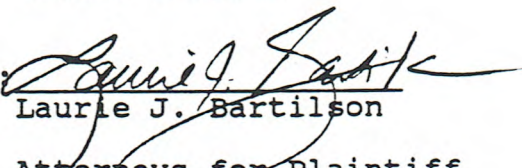
1 which is attached hereto as Exhibit B.

2 DATED: June 5, 1992

Respectfully submitted,

3 Andrew H. Wilson  
4 WILSON, RYAN & CAMPILONGO

5 BOWLES & MOXON

6 By:   
7 Laurie J. Bartilson

8 Attorneys for Plaintiff  
9 CHURCH OF SCIENTOLOGY  
10 INTERNATIONAL  
11  
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28 H:\ARMSTRON\NOTICE.RUL





## SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992

Honorable Ronald M. Schigian, Judge

1

M. Cervantes, Deputy Clerk

None

(E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For  
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For  
Defendant

## No Appearances

**NATURE OF PROCEEDINGS:** RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

In this matter heretofore taken under submission on May 27, 1992, the court now makes the following ruling.

1 Plaintiff's legal remedies are inadequate insofar as the scope of relief ordered below is concerned, but not otherwise. CCP 526(4) and (5).

2 The threatened acts which are restrained by the order referred to below, but only those threatened acts, would do irreparable harm to plaintiff which could not be compensated by monetary damages. CCP 526(2).

3 On the basis of the instant record, there is a reasonable probability that plaintiff will prevail after trial of this case in the respects restrained by this order. CCP 526(1); cf., San Francisco Newspaper Printing Co., Inc. vs. Superior Court (Miller) (1985) 170 Cal. App. 3d 438.

4 Plaintiff is likely to suffer greater injury from denial of the preliminary injunction the terms of which are set out below than the injury which defendant is likely to suffer if it is granted. See Robbins vs. Superior Court (County of Sacramento) (1985) 38 Cal. 3d 199, 206.

5 The granting of a preliminary injunction in the terms set out below will preserve the status quo pending trial.



## SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992

Honorable Ronald M. Schigian, Judge  
1aM. Cervantes, Deputy Clerk  
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International  
vs.Counsel For  
Plaintiff

Gerald Armstrong, et al.

Counsel For  
Defendant

## No Appearances

**NATURE OF PROCEEDINGS:** RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

6 Application for preliminary injunction is granted in part, in the following respects only.

Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of court from doing directly or indirectly any of the following:

Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986 regarding such claim or regarding pressing, arbitrating, or litigating it.

Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986.

The court does not intend by the foregoing to prohibit defendant Armstrong from: (a) being reasonably available for the service of subpoenas on him; (b) accepting service of subpoenas on him without physical resistance, obstructive tactics, or flight; (c) testifying fully and fairly in response to properly put questions either in deposition, at trial, or in other legal or arbitration proceedings; (d) properly reporting or disclosing to authorities criminal conduct of the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986; or (e) engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order.



## SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992

Honorable Ronald M. Sohigian, Judge  
1bM. Cervantes, Deputy Clerk  
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For  
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For  
Defendant

## No Appearances

**NATURE OF PROCEEDINGS:** RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

The application for preliminary injunction is otherwise denied.

7 The restraints referred to in sec. 6, above, will become effective upon plaintiff's posting an undertaking in the sum of \$70,000 pursuant to CCP 529(a) by 12:00 noon on June 5, 1992.

8 The restraints referred to in sec. 6, above, properly balance and accommodate the policies inherent in: (a) the protectable interests of the parties to this suit; (b) the protectable interests of the public at large; (c) the goal of attaining full and impartial justice through legitimate and properly informed civil and criminal judicial proceedings and arbitrations; (d) the gravity of interest involved in what the record demonstrates defendant might communicate in derogation of the contractual language; and (e) the reasonable interpretation of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986. The fair interpretation of all the cases cited by the parties indicates that this is the correct decisional process. The law appropriately favors settlement agreements. Obviously, one limitation on freedom of contract is "public policy"; in determining what the scope of the public policy limitation on the parties' rights to enforcement of their agreement in the specific factual context of this case, the court has weighed the factors referred to in the first sentence of this section. Litigants have a substantial range of contractual freedom, even to the extent of agreeing not to assert or exercise rights which they might otherwise have. The instant record shows that plaintiff was substantially compensated as an aspect of the agreement, and does not persuasively support defendant's claim of duress or that the issues involved in this preliminary injunction proceeding were precluded by any prior decision.



## SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992

Honorable Ronald M. Sohigian, Judge  
lcM. Cervantes, Deputy Clerk  
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International  
vs.Counsel For  
Plaintiff

Gerald Armstrong, et al.

Counsel For  
Defendant

## No Appearances

---

**NATURE OF PROCEEDINGS:** RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

9 The court does not dispositively decide the underlying merits of the case except for this preliminary determination. CCP 526(1); Baypoint Mortgage Corp. vs. Crest Premium Real Estate etc. Trust (1985) 168 Cal. App. 3d 818, 823.

10 Plaintiff is ordered give written notice by mail by June 5, 1992, including in that written notice a statement regarding whether plaintiff has or has not posted the undertaking referred to in sec. 7, above, and attaching to that written notice evidence showing that the undertaking has been posted if that is the fact.

DATED: May 28, 1992.

RONALD M. SOHIGIAN

---

RONALD M. SOHIGIAN  
Judge of the Superior Court

A copy of this minute order is sent to counsel via United States mail this date.





CASE NO. BC 052395

SUPERIOR COURT DEPARTMENT ~~Filing~~ Finance

RECEIVED FROM Bowles, Moxon

MISCELLANEOUS RECEIPT  
SUPERIOR COURT  
LOS ANGELES COUNTY  
CALIFORNIA

CUSTOMER'S RECEIPT

M 087505

DATE 6/5/92

INDICATE WHICH EVER APPLIES

ATTY FOR ☐ PLTF ☐ DEFT ☐

\$ 70,000.00

FOR Seventy Thousand only DOLLARS  
Dep. per minute order Filed 5/28/92  
Undertaking

CASH less CHECK 097688 MAIL # \_\_\_\_\_

Church of Scientology PLAINTIFF

Gerald Armstrong et al. DEFENDANT

Bejs DEPUTY



PROOF OF SERVICE

STATE OF CALIFORNIA            )  
                                  ) ss.  
COUNTY OF LOS ANGELES        )

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, CA 90028.

On June 5, 1992, I served the foregoing document described as NOTICE OF RULING on interested parties in this action as follows:

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] a true copy thereof in a sealed envelope addressed as follows:

Paul Morantz BY U.S. MAIL  
P.O. Box 511  
Pacific Palisades, CA 90272

[X] BY MAIL

[X] \*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[ ] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on June 5, 1992 at Los Angeles, California.

[ ] \*\*(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressee.

Executed on June 5, 1992 at Los Angeles, California.

☒ (State) I declare under penalty of the laws of the State of California that the above is true and correct.

☐ (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Laurie Barthson

Samuel J. Edick  
Signature

\* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

\*\* (For personal service signature must be that of messenger)



PROOF OF SERVICE

STATE OF CALIFORNIA        )  
                                  )   ss.  
COUNTY OF LOS ANGELES    )

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 235 Montgomery Street, Suite 450, San Francisco, CA 94104.

On June 5, 1992, I served the foregoing document described as NOTICE OF RULING on interested parties in this action as follows:

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] a true copy thereof in a sealed envelope addressed as follows:

Ford Greene   BY U.S. MAIL  
Hub Law Offices  
711 Sir Francis Drake Boulevard  
San Anselmo, CA 9490-1949

[X] BY MAIL

[X] \*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[ ] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on June 5, 1992 at Los Angeles, California.

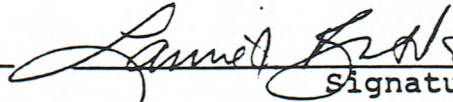
[ ] \*\*(BY PERSONAL SERVICE) I delivered such

envelopes by hand to the offices of the addressee.

☒ (State) I declare under penalty of the laws of the State of California that the above is true and correct.

☐ (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Laurie J. Bartibol

  
Signature

\* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

\*\* (For personal service signature must be that of messenger)



PROOF OF SERVICE

STATE OF CALIFORNIA            )  
                                  )   ss.  
COUNTY OF LOS ANGELES        )

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, CA 90028.

On June 5, 1992, I served the foregoing document described as NOTICE OF RULING on interested parties in this action as follows:

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] a true copy thereof in a sealed envelope addressed as follows:

Graham Berry   BY U.S. MAIL  
Lewis, D'Amato, Brisbois & Bisgaard  
221 N. Figueroa St. Suite 1200  
Los Angeles, CA 90012

[x] BY MAIL

[ ] \*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[x] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

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Laurie J. Bartleson

  
Signature

\* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

\*\* (For personal service signature must be that of messenger)





ORIGINAL FILED

JUN 04 1992

LOS ANGELES  
SUPERIOR COURT

1 Andrew H. Wilson  
WILSON, RYAN & CAMPILONGO  
2 235 Montgomery Street  
Suite 450  
3 San Francisco, California 94104  
(415) 391-3900

4 Laurie J. Bartilson  
5 BOWLES & MOXON  
6255 Sunset Boulevard  
6 Suite 2000  
Hollywood, California 90028  
7 (213) 661-4030

8 Attorneys for Plaintiff  
CHURCH OF SCIENTOLOGY INTERNATIONAL  
9

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 FOR THE COUNTY OF MARIN

12 CHURCH OF SCIENTOLOGY	)	Case No. BC 052395
INTERNATIONAL, a California	)	
13 not-for-profit religious	)	FIRST
corporation;	)	AMENDED VERIFIED COMPLAINT
14	)	FOR DAMAGES AND FOR
Plaintiff,	)	PRELIMINARY AND PERMANENT
15	)	INJUNCTIVE RELIEF FOR
vs.	)	BREACH OF CONTRACT
16	)	
17 GERALD ARMSTRONG;	)	
DOES 1-25 INCLUSIVE	)	
18	)	
Defendants.	)	
19	)	

20 Plaintiff, by its attorneys, Wilson, Ryan & Campilongo and  
21 Bowles & Moxon, for its Amended Complaint, alleges:

22 NATURE OF THE ACTION

23 1. In violation of the express terms and spirit of a  
24 settlement agreement ("the Agreement") entered into in December,  
25 1986, defendant Gerald Armstrong ("Armstrong") has embarked on a  
26 deliberate campaign designed to aid plaintiff's litigation  
27 adversaries, breach the confidentiality provisions of the  
28 Agreement, and foment litigation, hatred and ill-will toward  
plaintiff.



1           2.     Five years ago, plaintiff Church of Scientology  
2 International ("CSI") entered into the Agreement with Armstrong,  
3 on its own behalf and for the benefit of numerous third-party  
4 beneficiaries. The Agreement provided for a mutual release and  
5 waiver of all claims arising out of a cross-complaint which  
6 defendant Armstrong had filed in the case of Church of  
7 Scientology of California v. Gerald Armstrong, Los Angeles  
8 Superior Court No. C 420153. Armstrong, a former Church member  
9 who sought, by both litigation and covert means, to disrupt the  
10 activities of his former faith, displayed through the years an  
11 intense and abiding hatred for the Church, and an eagerness to  
12 annoy and harass his former co-religionists by spreading enmity  
13 and hatred among members and former members. Plaintiff sought,  
14 with the Agreement, to end all of Armstrong's covert activities  
15 against it, along with the litigation itself. For that reason,  
16 the Agreement contained carefully negotiated and agreed-upon  
17 confidentiality provisions and provisions prohibiting Armstrong  
18 from fomenting litigation against plaintiff by third parties.  
19 These provisions were bargained for by plaintiff to put an end to  
20 the enmity and strife generated by Mr. Armstrong once and for  
21 all.

22           3.     This action arises out of deliberate and repeated  
23 breaches by Armstrong of these and other express provisions of  
24 the Agreement. Although plaintiff fully performed all of its  
25 obligations under the Agreement, Armstrong never intended to keep  
26 his part of the bargain and maintains that he considered the  
27 referenced provisions to be unenforceable ab initio. As soon as  
28 he finished spending the money he extracted from plaintiff as the



1 price of his signature, in June 1991, Armstrong began a  
2 systematic campaign to foment litigation against plaintiff by  
3 providing confidential information, copies of the Agreement,  
4 declarations, and "paralegal" assistance to litigants actively  
5 engaged in litigation against his former adversaries. Although  
6 plaintiff has repeatedly demanded that Armstrong end his constant  
7 and repeated breach of the provisions of the Agreement, Armstrong  
8 appears to delight in renewing his annoying and harassing  
9 activities, admitting to them in sworn declarations, and refusing  
10 to end his improper liaisons.

11 4. With this Complaint, plaintiff seeks the Court's aid in  
12 obtaining the peace for which it bargained more than five years  
13 ago. Plaintiff requests liquidated damages pursuant to the terms  
14 of the Agreement, as well as injunctive relief to prevent  
15 additional and future breaches of the Agreement by Armstrong.

16 THE PARTIES

17 5. Plaintiff Church of Scientology International is a non-  
18 profit religious corporation incorporated under the laws of the  
19 State of California, having its principal offices in Los Angeles,  
20 California. Plaintiff CSI is the Mother Church of the  
21 Scientology religion.

22 6. Defendant Gerald Armstrong is a resident of Marin  
23 County, California.

24 7. Plaintiff is ignorant of the names and capacities of  
25 the defendants identified as DOES 1 through 25, inclusive, and  
26 thus brings suit against those defendants by their true names  
27 upon the ascertainment of their true names and capacities, and  
28 their responsibility for the conduct alleged herein.



THE CONTRACT

8. On or about December 6, 1986, CSI and Armstrong entered into a written confidential settlement Agreement, a true and correct copy of which is attached hereto as Exhibit A, and incorporated herein by reference.

9. The Agreement was entered into by plaintiff and defendant Armstrong, with the participation of their respective counsel after full negotiation. Each provision of the Agreement was carefully framed by the parties and their counsel to accurately reflect the agreement of the parties.

10. Plaintiff specifically negotiated for and obtained from Armstrong the provisions in the Agreement delineated in paragraphs 7(D), 7(H), 7(G), 10 and paragraphs 12 through 18, because it was well aware, through investigation, that Armstrong had undertaken a series of covert activities, apart from the litigation, which were intended by Armstrong to discredit Church leaders, spark government raids into the Churches, create phony "evidence" of wrongdoing against the Churches, and, ultimately, destroy the Churches and their leadership.

11. Contemporaneously with the signing of the Agreement, Armstrong represented that he understood the Agreement's provisions and was acting of his own free will and not under duress. In later 1991, Armstrong revealed for the first time that he believed at the time the Agreement was signed that the provisions contained in Paragraphs 7(D), 7(H), 7(G), 10, 12 and 18 were unenforceable.

12. In November, 1984, Armstrong was plotting against the Scientology Churches and seeking out staff members in the Church



1 who would be willing to assist him in overthrowing Church  
2 leadership. The Church obtained information about Armstrong's  
3 plans and, through a police-sanctioned investigation, provided  
4 Armstrong with the "defectors" he sought. On four separate  
5 occasions in November, 1984, Armstrong met with two individuals  
6 that he considered to be defectors, whom he knew as "Joey" and  
7 "Mike." In reality, both "Joey" and "Mike" were loyal Church  
8 members who, with permission from the Los Angeles police, agreed  
9 to have their conversations with Armstrong surreptitiously  
10 videotaped. During the course of these conversations, Armstrong:

- 11 a. Demanded that "Joey" provide him with copies of  
12 documents published by the Churches so that he  
13 could forge documents in the same style.  
14 Armstrong wanted "Joey" to then plant these  
15 Armstrong creations in the Church's files so that  
16 Armstrong could tip off the Internal Revenue  
17 Service Criminal Investigations Division ("CID"),  
18 and the incriminating documents would be found in  
19 a resulting raid;
- 20 b. Sought to "set up" the defection of a senior  
21 Scientologist by finding a woman to seduce him;
- 22 c. Told "Joey" all about his conversations with Al  
23 Lipkin, an investigator for the L.A. CID, and  
24 attempted to get "Joey" to call Lipkin and give  
25 him false information that would implicate the  
26 Church's leaders in the misuse of donations; and
- 27 d. Instructed "Mike" on the methods of creating a  
28 lawsuit against the Church leadership based on



nothing at all:

ARMSTRONG: They can allege it. They can  
allege it. They don't even have -- they can  
allege it.

RINDER: So they don't even have to have the document sitting in front of them and then --

ARMSTRONG: F\_\_ing say the organization destroys the documents.

\* \* \*

Where are the -- we don't have to prove a goddamn thing. We don't have to prove s\_\_\_t; we just have to allege it.

Given Armstrong's propensity to create trouble for the Churches regardless of truth, the Churches naturally considered such provisions to be an integral and necessary part of any settlement.

13. The Agreement also provided that plaintiff CSI would pay to Armstrong's attorney, Michael Flynn, a lump sum amount intended to settle not just Armstrong's case, but the cases of other clients of Mr. Flynn as well, and that Mr. Flynn would pay to Armstrong a portion of that settlement amount. The exact amount of the portion to be paid to Armstrong by Mr. Flynn was maintained as confidential between Mr. Flynn and Armstrong.

14. CSI paid to Mr. Flynn the lump sum settlement amount.

15. Mr. Flynn paid to Armstrong his confidential portion of the lump sum settlement amount.

16. The consideration paid to Armstrong was fair, reasonable and adequate. Plaintiff CSI has performed all of its obligations pursuant to the Agreement.

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1 on the Aznarans' litigation is a direct violation of Paragraphs  
2 7(G) and 10 of the Agreement.

3 25. As a direct and proximate result of Armstrong's breach  
4 of the agreement by providing paralegal assistance to Yanny in  
5 the Aznarans' litigation, plaintiff has incurred damages which  
6 are not presently calculable. In no event, however, are they  
7 less than the jurisdictional minimum of this Court. Consequently,  
8 for this breach plaintiff seeks compensatory and consequential  
9 damages according to proof.

10 SECOND CAUSE OF ACTION

11 (Against Armstrong for Breach of Contract)

12 26. Plaintiff realleges paragraphs 1-16, 18-25, inclusive,  
13 and incorporates them herein by reference.

14 27. After Yanny entered his appearance in the Aznarans'  
15 case and indicated to CSI's counsel that he represented Gerald  
16 Armstrong as well, CSI brought suit against Yanny in the case of  
17 Religious Technology Center, et al. v. Joseph A. Yanny, et al.,  
18 Los Angeles Superior Court No. BC 033035 ("RTC v. Yanny"). In  
19 that action, plaintiff sought and obtained a Temporary  
20 Restraining Order and a Preliminary Injunction against Yanny,  
21 which prohibit Yanny from aiding, advising, or representing,  
22 directly or indirectly, the Aznarans or Armstrong, on any matters  
23 relating to the plaintiff.

24 28. At the hearings before the Court on the temporary  
25 restraining order and the injunction, Yanny filed two  
26 declarations prepared and executed by Armstrong on July 16, 1991.  
27 The declarations were offered by Yanny as part of Yanny's  
28 defense, which was ultimately rejected by the Court when it



1 issued its injunction.

2 29. Armstrong's aid to Yanny in the RTC v. Yanny case is a  
3 direct violation of Paragraphs 7(G) and 10 of the Agreement.

4 30. Armstrong attached as an exhibit to one of his July 16,  
5 1991 declarations a copy of the Agreement, the terms of which he  
6 had agreed, pursuant to paragraph 18(D), to keep confidential.  
7 This disclosure of the terms of the Agreement is a violation of  
8 its non-disclosure provisions, requiring that Armstrong pay to  
9 CSI \$50,000 in liquidated damages.

10 31. Despite demand by plaintiff, Armstrong has failed and  
11 refused to pay them the \$50,000 owed in liquidated damages for  
12 this breach of the Agreement.

13 THIRD CAUSE OF ACTION

14 (Against All Defendants for Breach of Contract)

15 32. Plaintiff realleges paragraphs 1-16, 18-25, 27-31,  
16 inclusive, and incorporates them herein by reference.

17 33. After Yanny's substitution into the Aznarans' case was  
18 summarily vacated, Ford Greene was reinstated as the Aznarans'  
19 counsel of record. Ford Greene's law offices are located in San  
20 Anselmo, California.

21 34. On or about August, 1991, Armstrong began working in  
22 Ford Greene's office as a paralegal on the Aznarans' case. When,  
23 thereafter, the Aznarans hired attorney John Elstead to represent  
24 them as well, Armstrong provided paralegal services to Elstead as  
25 well as Greene. Armstrong's employment in Greene's office has  
26 continued to the present. Armstrong's activities constitute a  
27 daily and continuing breach of his contract, rendering  
28 plaintiff's bargain a nullity.



1           35. Plaintiff CSI has already incurred, and continues to  
2 incur, damages as a direct and proximate result of Armstrong's  
3 provision of aid to Greene in the Aznarans' case. Those damages  
4 are not presently calculable and will cease only when Armstrong  
5 is ordered to stop his improper conduct. In no event, however,  
6 are they less than the jurisdictional minimum of this Court.  
7 Consequently, for this breach plaintiff seeks compensatory and  
8 consequential damages according to proof.

9                           FOURTH CAUSE OF ACTION

10                   (Against All Defendants for Breach of Contract)

11           36. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-  
12 35, inclusive, and incorporates them herein by reference.

13           37. In addition to the paralegal services which Armstrong  
14 has provided to Ford Greene and John Elstead on the Aznarans'  
15 litigation, Armstrong also provided the Aznarans with a  
16 declaration, dated August 26, 1991, and filed in the Aznarans'  
17 case. In that declaration, Armstrong describes some of his  
18 alleged experiences with and concerning plaintiff, and purports  
19 to authenticate copies of certain documents. These actions and  
20 disclosures are violations of paragraphs 7(G), 7(H) and 10 of the  
21 Agreement, requiring that Armstrong pay to CSI \$50,000 in  
22 liquidated damages.

23           38. Despite demand by plaintiff, Armstrong has failed and  
24 refused to comply with the liquidated damages provision by paying  
25 \$50,000 to plaintiff as demanded for this breach of the  
26 Agreement.

27 ///

28 ///



FIFTH CAUSE OF ACTION

(For Breach of Contract Against Armstrong)

39. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-35, and 37-38, inclusive, and incorporates them hereby reference.

40. On or about March 19, 1992, Armstrong, acting through Ford Greene as his agent, transmitted a press release to various members of the media, including the Cable News Network, San Francisco Chronicle, San Francisco Examiner, and the Marin County Independent Journal. A true and correct copy of the press release is attached hereto as Exhibit B. Said press release violated the Agreement in that it constituted disclosures by Armstrong, through Ford Greene as his agent, of his experiences with Scientology as prohibited by paragraph 2. The following are the excerpts from the press release which violate paragraph 2:

- a) "Can the Scientology organization purchase the free speech rights of Gerald Armstrong-the former in-house biographer researcher/archivist of cult leader, L. Ron Hubbard..."
- b) "A former high-ranking Scientologist for 12 years, Armstrong split with the group when it insisted he continue lying about the accomplishments Hubbard claimed to the public at large."
- c) "For years Scientology has treated Armstrong as a 'suppressive person' who was 'fair game.'"
- d) "Armstrong is resisting Scientology's high-powered attack in an effort to affirm his right to free speech to maintain vigilance for the truth."
- e) "(Scientology is) fabricating false scenarios in other court proceedings that Armstrong was an agent of the IRS out to destroy it."

41. In addition, the press release devotes an entire paragraph to a description of the lawsuit resulting from the Settlement Agreement and to a description of the Settlement Agreement itself:



1 "After Armstrong beat Scientology's lawsuit  
2 against him in 1984, he was poised to  
3 prosecute his own claims. For millions of  
4 dollars, however, in 1986 Scientology settled  
5 with he and over 17 other Scientology  
6 knowledgeable individuals on the condition  
7 that those persons would forever keep silent,  
8 avoid giving sworn testimony by evading  
9 subpoenas, and never aid or assist anyone  
10 adverse to Scientology."

11 The distribution of the press release violated the provisions of  
12 paragraphs 7(D) and 18 of the Agreement.

13 42. By reason of the foregoing breach by Armstrong,  
14 plaintiff is entitled to \$50,000 in liquidated damages and  
15 compensatory damages not presently known but believed to be in  
16 excess of the jurisdictional minimum of this Court.

#### 17 SIXTH CAUSE OF ACTION

18 (For Breach of Contract by Armstrong)

19 43. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-  
20 35, 37-38, and 40-42, inclusive, and incorporates them hereby by  
21 reference.

22 44. On or about March 19 and 20, 1992, Armstrong and  
23 Greene, acting as Armstrong's agent, granted the media additional  
24 interviews, which also violated paragraph 2 of the Agreement.  
25 During the course of his interview with the Cable News Network,  
26 for example, Armstrong stated, "I'm an expert in the  
27 misrepresentations Hubbard has made about himself from the  
28 beginning of Dianetics until the day he died." Attached hereto  
and incorporated herein by reference as Exhibit C is a true and  
correct transcription of the CNN broadcast which featured this  
statement made voluntarily by Armstrong in a media interview.

45. By reason of the foregoing breach of the Agreement,  
plaintiff is entitled to \$50,000 in liquidated damages.



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1 knowledge and information which he claimed to have concerning  
2 plaintiff and other Scientology affiliated entities and  
3 individuals.

4 50. During his deposition on March 3, 1992, Armstrong  
5 produced documents which he claimed to have reviewed in  
6 preparation for his testimony, including documents referred to in  
7 paragraph 46, supra, in violation of paragraph 7(D) of the  
8 Agreement.

9 51. On or about March 12, 1992, Armstrong again appeared  
10 for deposition in the Hunziker case. This time, Armstrong  
11 claimed that he had been given a deposition subpoena not by the  
12 deposing attorney, but by attorney Elstead, and that Elstead had  
13 "filled out" the subpoena earlier that morning. Armstrong  
14 refused to produce a copy of the alleged subpoena, which had not  
15 been served on any of the parties to the case. In fact,  
16 Armstrong himself requested that Elstead issue him a subpoena on  
17 Sunday, March 8, 1992, after a temporary restraining order was  
18 issued in this case. On March 8, 1992, Armstrong delivered  
19 additional documents to Elstead, again in violation of paragraph  
20 7(D) of the Agreement.

21 52. Plaintiff learned in April, 1992, through review of the  
22 aforesaid deposition transcript, that since the signing of the  
23 Agreement, Armstrong had "taken it upon [him]self" to reacquire  
24 documents which he had previously returned to plaintiff "from  
25 whatever source." He produced many of those documents  
26 voluntarily, first to Elstead on March 8, 1992, and then to  
27 opposing counsel during the March 12, 1992 deposition.

28 53. These actions and disclosures are violations of



1 Paragraphs 7(D), 7(G), 7(H) and 10 of the Agreement, requiring  
2 that Armstrong pay to CSI \$250,000 in liquidated damages.

3 EIGHTH CAUSE OF ACTION

4 (Against Armstrong for Breach of Contract)

5 54. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-  
6 35, 37-38, 40-42, 44-45, 47-52, inclusive, and incorporates them  
7 herein by reference.

8 55. On or about April 7, 1992, while testifying in the  
9 matter known as Church of Scientology v. Yanny, (No. BC 033035),  
10 Armstrong made the Settlement Agreement sued upon herein an  
11 exhibit to the deposition transcript. Said action was a breach  
12 of paragraph 18(D) of the Agreement which prohibits disclosure of  
13 the contents of the Agreement.

14 56. By reason of the foregoing breach of the Agreement,  
15 Plaintiff is entitled to \$50,000 in liquidated damages, together  
16 with compensatory damages in an amount not presently known to  
17 plaintiff but believed to be in excess of the jurisdictional  
18 minimum of this court.

19 NINTH CAUSE OF ACTION

20 (Against Armstrong for Beach of Contract)

21 57. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-  
22 35, 37-38, 40-42, 44-45, 47-52, and 55, inclusive, and  
23 incorporates them herein by reference.

24 58. In breach of the provision of paragraph 7(E) of the  
25 Agreement, Armstrong failed to return a letter written by L. Ron  
26 Hubbard to the Federal Bureau of Investigation in 1955 and an  
27 internal communication known as "Technical Bulletin."

28 59. In breach of the provisions of paragraph 7(H) of the



1 Agreement, Armstrong gave a declaration in the Aznaran litigation  
2 on August 26, 1991 in opposition to a motion to exclude expert  
3 testimony.

4 60. Said declaration attached as exhibits the two documents  
5 referred to in paragraph 58 above, in breach of the provisions of  
6 Paragraph 7(D) of the Agreement.

7 61. By reason of the breaches by Armstrong in paragraphs  
8 7(E) and 7(H) of the Agreement, plaintiff has been damaged in an  
9 amount not presently known but believed to be in excess of the  
10 jurisdictional minimum of this Court.

11 62. By reason of the breach by Armstrong of paragraph 7(D)  
12 of the Agreement, plaintiff is entitled to liquidated damages in  
13 the amount of \$50,000.

14 TENTH CAUSE OF ACTION

15 (Against Armstrong for Breach of Contract)

16 63. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-  
17 35, 37-38, 40-42, 44-45, 47-52, 54-55 and 58-60, inclusive, and  
18 incorporates them herein by reference.

19 64. Plaintiff learned in March, 1992, that during 1990 and  
20 1991, Armstrong voluntarily provided aid and advice to Bent  
21 Corydon and to Corydon's attorney, Toby Plevin, in the conduct of  
22 litigation against plaintiff and affiliated entities in the case  
23 of Bent Corydon v. Church of Scientology International, et al.,  
24 Los Angeles Superior Court Case No. C 694401.

25 65. Armstrong's voluntary provision of aid to Plevin to  
26 work on Corydon's litigation is a direct violation of paragraphs  
27 7(G) and 10 of the Agreement.

28 66. As a direct and proximate result of Armstrong's breach



1 of the Agreement by providing voluntary assistance to Plevin in  
2 Corydon's litigation, plaintiff has incurred damages which are  
3 not presently calculable. In no event, however, are they less  
4 than the jurisdictional minimum of this Court. Consequently, for  
5 this breach plaintiff seeks compensatory and consequential  
6 damages according to proof.

7 ELEVENTH CAUSE OF ACTION

8 (Against Armstrong for Breach of Contract)

9 67. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-  
10 35, 37-38, 40-42, 44-45, 47-52, 54-55, 58-60, 64-65 inclusive,  
11 and incorporates them herein by reference.

12 68. On May 27, 1992, after plaintiff's motion for  
13 preliminary injunction in this matter had been argued, and while  
14 a determination of that motion was still pending, Armstrong  
15 voluntarily provided a declaration to Gary M. Bright and Jerold  
16 Fagelbaum, attorneys for defendants David Mayo, Church of the New  
17 Civilization, John Nelson, Harvey Haber, Vivien Zegel and Dede  
18 Reisdorf in the consolidated cases of Religious Technology  
19 Center, et al. v. Robin Scott, et al., and Religious Technology  
20 Center, et al. v. Wollersheim, et al., United States District  
21 Court for the Central District of California, Case Nos. CV 85-711  
22 JMI (Bx) and CV 85-7197 JMI (Bx) (the "Scott case"). The  
23 plaintiffs in the Scott case are plaintiff, Church of Scientology  
24 International, Church of Scientology of California, and Religious  
25 Technology Center, all entities specifically protected by the  
26 Agreement.

27 69. In his May 27, 1992 declaration, Armstrong purports to  
28 authenticate an earlier declaration which describes some of his



1 alleged experiences with and concerning plaintiff, as well as a  
2 portion of a transcript which was ordered sealed in the earlier  
3 action between plaintiff and defendant. These actions and  
4 disclosures are violations of paragraphs 7(G), 7(H) and 10 of the  
5 Agreement, requiring that Armstrong pay to CSI \$50,000 in  
6 liquidated damages.

7 70. As a direct and proximate result of Armstrong's breach  
8 of the Agreement by providing voluntary assistance to Bright and  
9 Fagelbaum in the Scott case, plaintiff has incurred additional  
10 damages which are not presently calculable. In no event,  
11 however, are they less than the jurisdictional minimum of this  
12 Court. Consequently, for this breach plaintiff also seeks  
13 compensatory and consequential damages according to proof.

#### 14 TWELFTH CAUSE OF ACTION

15 (Against All Defendants for Injunctive Relief)

16 71. Plaintiff realleges paragraphs 1-16, 18-25, 27-31, 33-  
17 35, 37-38, 40-42, 44-45, 47-52, 54-55, 58-60, 64-65 and 68-69  
18 inclusive, and incorporates them herein by reference.

19 72. As a direct and proximate result of Armstrong's breach  
20 of the Agreement by providing assistance to Greene and Elstead in  
21 the Aznarans' litigation, which breach is, on information and  
22 belief, persistent and continuing, CSI is and will continue to be  
23 irreparably harmed, and unless Armstrong and those acting in  
24 concert with him are temporarily, preliminarily and permanently  
25 enjoined from continuing that unlawful conduct, further  
26 irreparable harm will be caused to CSI.

27 73. Further, as a direct and proximate result of  
28 Armstrong's breach of the Agreement by providing assistance to



1 Yanny in Yanny's litigation, which breach is, on information and  
2 belief, persistent and continuing, CSI is and will continue to be  
3 irreparably harmed, and unless Armstrong and those acting in  
4 concert with him are temporarily, preliminarily and permanently  
5 enjoined from continuing that unlawful conduct, further  
6 irreparable harm will be caused to CSI.

7 74. Further, as a direct and proximate result of  
8 Armstrong's breach of the Agreement by providing assistance to  
9 Elstead and Rummond in the Hunziker litigation, which breach is,  
10 on information and belief, persistent and continuing, CSI is and  
11 will continue to be irreparably harmed, and unless Armstrong and  
12 those acting in concert with him are temporarily, preliminarily  
13 and permanently enjoined from continuing that unlawful conduct,  
14 further irreparable harm will be caused to CSI.

15 75. Further, as a direct and proximate result of  
16 Armstrong's breach of the Agreement by providing assistance to  
17 Fagelbaum and Bright in the Scott litigation, which breach is, on  
18 information and belief, persistent and continuing, CSI is and  
19 will continue to be irreparably harmed, and unless Armstrong and  
20 those acting in concert with him are temporarily, preliminarily  
21 and permanently enjoined from continuing that unlawful conduct,  
22 further irreparable harm will be caused to CSI.

23 WHEREFORE, plaintiff prays for judgment as follows:

24 ON THE FIRST CAUSE OF ACTION

25 1. For compensatory and consequential damages according to  
26 proof.

27 2. For attorneys' fees and costs of suit.

28 ///



1                    ON THE SECOND CAUSE OF ACTION

- 2            1. For liquidated damages in the amount of \$50,000.  
3            2. For attorneys' fees and costs of suit.

4                    ON THE THIRD CAUSE OF ACTION

- 5            1. For compensatory and consequential damages according to  
6 proof.  
7            2. For attorneys' fees and costs of suit.

8                    ON THE FOURTH CAUSE OF ACTION

- 9            1. For liquidated damages in the amount of \$50,000.  
10           2. For attorneys' fees and costs of suit.

11                   ON THE FIFTH CAUSE OF ACTION

- 12           1. For liquidated damages in the amount of \$50,000.  
13           2. For compensatory and consequential damages according to  
14 proof.  
15           3. For attorneys' fees and costs of suit.

16                   ON THE SIXTH CAUSE OF ACTION

- 17           1. For liquidated damages in the amount of \$50,000.  
18           2. For attorney's fees and costs of suit.

19                   ON THE SEVENTH CAUSE OF ACTION

- 20           1. For liquidated damages in the amount of \$250,000.  
21           2. For attorneys' fees and costs of suit.

22                   ON THE EIGHTH CAUSE OF ACTION

- 23           1. For liquidated damages in the amount of \$50,000.  
24           2. For attorneys' fees and costs of suit.

25                   ON THE NINTH CAUSE OF ACTION

- 26           1. For compensatory and consequential damages according to  
27 proof.  
28           2. For liquidated damages in the sum of \$50,000.

3. For attorney's fees and costs of suit.

ON THE TENTH CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.

2. For attorneys' fees and costs of suit.

ON THE ELEVENTH CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.

2. For liquidated damages in the sum of \$50,000.

3. For attorney's fees and costs of suit.

ON THE TWELFTH CAUSE OF ACTION

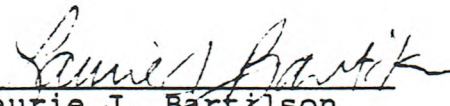
1. For a preliminary and permanent injunction prohibiting and restraining all defendants, including Armstrong, from violating any of the provisions of the Agreement, including the provisions of paragraphs 7(D), 7(E), 7(G), 7(H) and 18(D).

ON ALL CAUSES OF ACTION

1. For such other and further relief as the Court may deem just and proper.

DATED: June 4, 1992

BOWLES & MOXON

By:   
Laurie J. Bartilson

Andrew H. Wilson  
WILSON, RYAN & CAMPILONGO

Attorneys for Plaintiff  
CHURCH OF SCIENTOLOGY  
INTERNATIONAL





MUTUAL RELEASE OF ALL CLAIMS AND SETTLEMENT AGREEMENT

1. This Mutual Release of All Claims and Settlement Agreement is made between Church of Scientology International (hereinafter "CSI") and Gerald Armstrong, (hereinafter "Plaintiff") Cross-Complainant in Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153. By this Agreement, Plaintiff hereby specifically waives and releases all claims he has or may have from the beginning of time to and including this date, including all causes of action of every kind and nature, known or unknown for acts and/or omissions against the officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel of CSI as well as the Church of Scientology of California, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Religious Technology Center, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Author Services, Inc., its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and its trustee; and Mary Sue Hubbard, (all hereinafter collectively referred to as the



"Releasees"). The parties to this Agreement hereby agree as follows:

2. It is understood that this settlement is a compromise of doubtful and disputed claims, and that any payment is not to be construed, and is not intended, as an admission of liability on the part of any party to this Agreement, specifically, the Releasees, by whom liability has been and continues to be expressly denied. In executing this settlement Agreement, Plaintiff acknowledges that he has released the organizations, individuals and entities listed in the above paragraph, in addition to those defendants actually named in the above lawsuit, because among other reasons, they are third party beneficiaries of this Agreement.

3. Plaintiff has received payment of a certain monetary sum which is a portion of a total sum of money paid to his attorney, Michael J. Flynn. The total sum paid to Mr. Flynn is to settle all of the claims of Mr. Flynn's clients. Plaintiff's portion of said sum has been mutually agreed upon by Plaintiff and Michael J. Flynn. Plaintiff's signature below this paragraph acknowledges that Plaintiff is completely satisfied with the monetary consideration negotiated with and received by Michael J. Flynn. Plaintiff acknowledges that there has been a block settlement between Plaintiff's attorney, Michael J. Flynn, and the Church of Scientology and Churches and entities related to the Church of Scientology, concerning all of Mr. Flynn's clients who were in litigation with any Church of Scientology or related entity. Plaintiff has received a portion of this block



amount, the receipt of which he hereby acknowledges.  
Plaintiff understands that this amount is only a portion of  
the block settlement amount. The exact settlement sum  
received by Plaintiff is known only to Plaintiff and his  
attorney, Michael J. Flynn, and it is their wish that this  
remain so and that this amount remain confidential.

  
\_\_\_\_\_  
Signature line for Gerald Armstrong

4. For and in consideration of the above described  
consideration, the mutual covenants, conditions and release  
contained herein, Plaintiff does hereby release, acquit and  
forever discharge, for himself, his heirs, successors,  
executors, administrators and assigns, the Releasees,  
including Church of Scientology of California, Church of  
Scientology International, Religious Technology Center, all  
Scientology and Scientology affiliated organizations and  
entities, Author Services, Inc. (and for each organization or  
entity, its officers, agents, representatives, employees,  
volunteers, directors, successors, assigns and legal  
counsel); L. Ron Hubbard, his heirs, beneficiaries, Estate  
and its executor; Author's Family Trust, its beneficiaries  
and trustee; and Mary Sue Hubbard, and each of them, of and  
from any and all claims, including, but not limited to, any  
claims or causes of action entitled Gerald Armstrong v.  
Church of Scientology of California, Los Angeles Superior  
Court, Case No. 420 153 and all demands, damages, actions and  
causes of actions of every kind and nature, known or unknown,



for or because of any act or omission allegedly done by the Releasees, from the beginning of time to and including the date hereof. Therefore, Plaintiff does hereby authorize and direct his counsel to dismiss with prejudice his claims now pending in the above referenced action. The parties hereto will execute and cause to be filed a joint stipulation of dismissal in the form of the one attached hereto as Exhibit "A".

A. It is expressly understood by Plaintiff that this release and all of the terms thereof do not apply to the action brought by the Church of Scientology against Plaintiff for Conversion, Fraud and other causes of action, which action has already gone to trial and is presently pending before the Second District, Third Division of the California Appellate Court (Appeal No. B005912). The disposition of those claims are controlled by the provisions of the following paragraph hereinafter.

B. As of the date this settlement Agreement is executed, there is currently an appeal pending before the California Court of Appeal, Second Appellate District, Division 3, arising out of the above referenced action delineated as Appeal No. B005912. It is understood that this appeal arises out of the Church of Scientology's complaint against Plaintiff which is not settled herein. This appeal shall be maintained notwithstanding this Agreement. Plaintiff agrees to waive any rights he may have to take any further appeals from any decision eventually reached by the Court of Appeal or any rights he may have to oppose (by responding brief or any other means) any further appeals taken by the Church of



Scientology of California. The Church of Scientology of California shall have the right to file any further appeals it deems necessary.

5. For and in consideration of the mutual covenants, conditions and release contained herein, and Plaintiff dismissing with prejudice the action Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153, the Church of Scientology of California does hereby release, acquit and forever discharge for itself, successors and assigns, Gerald Armstrong, his agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by Gerald Armstrong from the beginning of time to and including the date hereof.

6. In executing this Agreement, the parties hereto, and each of them, agree to and do hereby waive and relinquish all rights and benefits afforded under the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

7. Further, the undersigned hereby agree to the following:

A. The liability for all claims is expressly denied by the parties herein released, and this final compromise and



settlement thereof shall never be treated as an admission of liability or responsibility at any time for any purpose.

B. Plaintiff has been fully advised and understands that the alleged injuries sustained by him are of such character that the full extent and type of injuries may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, further damages may be sustained by Plaintiff; nevertheless, Plaintiff desires by this document to forever and fully release the Releasees. Plaintiff understands that by the execution of this release no further claims arising out of his experience with, or actions by, the Releasees, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the Releasees.

C. Plaintiff agrees to assume responsibility for the payment of any attorney fee, lien or liens, imposed against him past, present, or future, known or unknown, by any person, firm, corporation or governmental entity or agency as a result of, or growing out of any of the matters referred to in this release. Plaintiff further agrees to hold harmless the parties herein released, and each of them, of and from any liability arising therefrom.

D. Plaintiff agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other



similar form, any writing or to broadcast or to assist another to create, write, film or video tape or audio tape any show, program or movie, or to grant interviews or discuss with others, concerning their experiences with the Church of Scientology, or concerning their personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff expressly understands that the non-disclosure provisions of this subparagraph shall apply, inter alia, but not be limited, to the contents or substance of his complaint on file in the action referred to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. The attorneys for Plaintiff, subject to the ethical limitations restraining them as promulgated by the state or federal regulatory associations or agencies, agree not to disclose any of the terms and conditions of the settlement negotiations, amount of the



settlement, or statements made by either party during settlement conferences. Plaintiff agrees that if the terms of this paragraph are breached by him, that CSI and the other Releasees would be entitled to liquidated damages in the amount of \$50,000 for each such breach. All monies received to induce or in payment for a breach of this Agreement, or any part thereof, shall be held in a constructive trust pending the outcome of any litigation over said breach. The amount of liquidated damages herein is an estimate of the damages that each party would suffer in the event this Agreement is breached. The reasonableness of the amount of such damages are hereto acknowledged by Plaintiff.

E. With exception to the items specified in Paragraph 7(L), Plaintiff agrees to return to the Church of Scientology International at the time of the consummation of this Agreement, all materials in his possession, custody or control (or within the possession, custody or control of his attorney, as well as third parties who are in possession of the described documents), of any nature, including originals and all copies or summaries of documents defined in Appendix "A" to this Agreement, including but not limited to any tapes, computer disks, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above, all evidence of any nature, including evidence obtained from the named defendants through discovery, acquired for the purposes of this lawsuit or any lawsuit, or acquired for any other purpose



concerning any Church of Scientology, any financial or administrative materials concerning any Church of Scientology, and any materials relating personally to L. Ron Hubbard, his family, or his estate. In addition to the documents and other items to be returned to the Church of Scientology International listed above and in Appendix "A", Plaintiff agrees to return the following:

- (a) All originals and copies of the manuscript for the work "Excalibur" written by L. Ron Hubbard;
- (b) All originals and copies of documents commonly known as the "Affirmations" written by L. Ron Hubbard; and
- (c) All documents and other items surrendered to the Court by Plaintiff and his attorneys pursuant to Judge Cole's orders of August 24, 1982 and September 4, 1982 and all documents and other items taken by the Plaintiff from either the Church of Scientology or Omar Garrison. This includes all documents and items entered into evidence or marked for identification in Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153. Plaintiff and his attorney will execute a Joint Stipulation or such other documents as are necessary to obtain these documents from the Court. In the event any documents or other items are no longer in the custody or control of the Los Angeles Superior Court, Plaintiff and his counsel will assist the Church in recovering these documents as quickly as possible, including but not limited to those tapes and other documents now in the possession of the United States District Court in the case of United States v. Zolin, Case No. CV



85-0440-HLH(Tx), presently on appeal in the Ninth Circuit Court of Appeals. In the event any of these documents are currently lodged with the Court of Appeal, Plaintiff and his attorneys will cooperate in recovering those documents as soon as the Court of Appeal issues a decision on the pending appeal.

To the extent that Plaintiff does not possess or control documents within categories A-C above, Plaintiff recognizes his continuing duty to return to CSI any and all documents that fall within categories A-C above which do in the future come into his possession or control.

F. Plaintiff agrees that he will never again seek or obtain spiritual counselling or training or any other service from any Church of Scientology, Scientologist, Dianetics or Scientology auditor, Scientology minister, Mission of Scientology, Scientology organization or Scientology affiliated organization.

G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology.

H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make



himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed.

I. The parties hereto agree that in the event of any future litigation between Plaintiff and any of the organizations, individuals or entities listed in Paragraph 1 above, that any past action or activity, either alleged in this lawsuit or activity similar in fact to the evidence that was developed during the course of this lawsuit, will not be used by either party against the other in any future litigation. In other words, the "slate" is wiped clean concerning past actions by any party.

J. It is expressly understood and agreed by Plaintiff that any dispute between Plaintiff and his counsel as to the proper division of the sum paid to Plaintiff by his attorney of record is between Plaintiff and his attorney of record and shall in no way affect the validity of this Mutual Release of All Claims and Settlement Agreement.

K. Plaintiff hereby acknowledges and affirms that he is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that his ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.



L. Notwithstanding the provisions of Paragraph 7(E) above, Plaintiff shall be entitled to retain any artwork created by him which concerns or relates to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above provided that such artwork never be disclosed either directly or indirectly, to anyone. In the event of a disclosure in breach of this Paragraph 7(L), Plaintiff shall be subject to the liquidated damages and constructive trust provisions of Paragraph 7(D) for each such breach.

8. Plaintiff further agrees that he waives and relinquishes any right or claim arising out of the conduct of any defendant in this case to date, including any of the organizations, individuals or entities as set forth in Paragraph 1 above, and the named defendants waive and relinquish any right or claim arising out of the conduct of Plaintiff to date.

9. This Mutual Release of All Claims and Settlement Agreement contains the entire agreement between the parties hereto, and the terms of this Agreement are contractual and not a mere recital. This Agreement may be amended only by a written instrument executed by Plaintiff and CSI. The parties hereto have carefully read and understand the contents of this Mutual Release of All Claims and Settlement Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically



incorporated herein shall be deemed to in any way exist or bind any of the parties hereto.

10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

11. The parties to this Agreement acknowledge the following:

A. That all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will;

B. That all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have obtained advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement; and

C. That all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

12. Each party shall bear its respective costs with respect to the negotiation and drafting of this Agreement and



all acts required by the terms hereof to be undertaken and performed by that party.

13. To the extent that this Agreement inures to the benefit of persons or entities not signatories hereto, this Agreement is hereby declared to be made for their respective benefits and uses.

14. The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

15. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

16. In the event any provision hereof be unenforceable, such provision shall not affect the enforceability of any other provision hereof.

17. All references to the plural shall include the singular and all references to the singular shall include the plural. All references to gender shall include both the masculine and feminine.

18.(A) Each party warrants that they have received independent legal advice from their attorneys with respect to the advisability of making the settlement provided for herein and in executing this Agreement.

(B) The parties hereto (including any officer, agent, employee, representative or attorney of or for any party) acknowledge that they have not made any statement,



representation or promise to the other party regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party (or of any officer, agent, employee, representative or attorney for the other party).

(C) The persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

(D) The parties hereto and their respective attorneys each agree not to disclose the contents of this executed Agreement. Nothing herein shall be construed to prevent any party hereto or his respective attorney from stating that this civil action has been settled in its entirety.

(E) The parties further agree to forbear and refrain from doing any act or exercising any right, whether existing now or in the future, which act or exercise is inconsistent with this Agreement.

19. Plaintiff has been fully advised by his counsel as to the contents of this document and each provision hereof. Plaintiff hereby authorizes and directs his counsel to dismiss with prejudice his claims now pending in the action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153.

20. Notwithstanding the dismissal of the lawsuit pursuant to Paragraph 4 of this Agreement, the parties hereto agree that the Los Angeles Superior Court shall retain



jurisdiction to carry out the terms of this Agreement. This Agreement may be enforced by any legal or equitable remedy, including but not limited to injunctive relief or declaratory judgment where appropriate. In the event any party to this Agreement institutes any action to preserve, to protect or to enforce any right or benefit created hereunder, the prevailing party in any such action shall be entitled to the costs of suit and reasonable attorney's fees.

21. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date opposite their names.

Dated: December 6, 1986

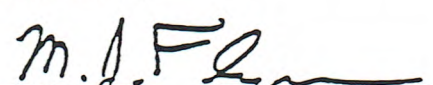
  
GERALD ARMSTRONG

  
Witness

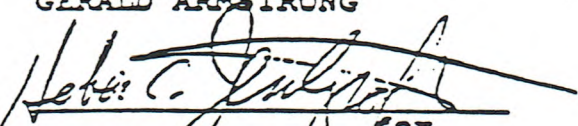
  
Witness

Dated: 12/6/86

APPROVED AS TO FORM AND  
CONTENT:

  
MICHAEL J. FLYNN  
Attorney for  
GERALD ARMSTRONG

Dated: December 11, 1986

  
for  
CHURCH OF SCIENTOLOGY  
INTERNATIONAL

## APPENDIX A

1. As used herein, the term "document" or "documents" include but are not limited to all originals, file copies and copies not identical to the original, no matter how prepared, or all writings, papers, notes, records, books and other tangible things including, by way of example and not of limitation, the following:

a. Memoranda, notes, calendars, appointment books, shorthand or stenographer's notebooks, correspondence, letters and telegrams, whether received, sent, filed or maintained internally;

b. Drafts and notes, whether typed, penciled or otherwise, whether or not used;

c. Minutes, reports and summaries of meetings;

d. Contracts, agreements, understandings, commitments, proposals and other business dealings;

e. Recordings, transcriptions and memoranda or notes made of any telephone or face-to-face oral conversations between or among persons;

f. Dictated tapes or other sound recordings;

g. Computer printouts or reports and the applicable program or programs therefor;

h. Tapes, cards or any other means by which data are stored or preserved electrically, electronically, magnetically or mechanically, and the applicable program or program therefor (from which plaintiff may reproduce or cause to be reproduced such data in written form);



i. Pictures, drawings, photographs, charts or other graphic representations;

j. Checks, bills, notes, receipts, or other evidence of payment;

k. Ledgers, journals, financial statements, accounting records, operating statements, balance sheets and statements of account.





WHERE: Marin Superior Court, San Rafael Civic Center -  
Scientology vs. Armstrong No. 152229

March 20, 1992 at 9:00 a.m., Department 4.

\* \* \* \* \*

Can the Scientology Organization purchase the free speech rights of Gerald Armstrong - the former in-house biography researcher/archivist of cult leader L. Ron Hubbard - so that it can keep the facts that he knows out of public view in the marketplace of ideas?

A former high-ranking Scientologist for 12 years, Armstrong split with the group when it insisted he continue lying about the accomplishments Hubbard claimed to the public at large. In 1982, the organization sued Armstrong for sending Hubbard documents to his lawyers. In 1984 at Armstrong's trial, Los Angeles Superior Court judge Paul G. Breckenridge, Jr., who ruled that Armstrong's actions had been manifestly justified, also found:

"In addition to violating and abusing its own members civil rights, the organization over the years with its "Fair Game" doctrine has harassed and abused these persons not in the Church whom it perceives as enemies. The organization is clearly schizophrenic and paranoid, and this bizarre combination seems to be a reflection of its founder LRH [L. Ron Hubbard]. The evidence portrays a man who has been virtually a pathological liar when it comes to his history, background, and achievements. The writings and documents in evidence additionally reflect his egoism, greed, avarice, lust for power, and vindictiveness and aggressiveness against persons perceived by him to be disloyal or hostile."

For years, Scientology has treated Armstrong as a "suppressive person" who was "Fair Game." This policy says as Fair Game one

"may be deprived of property or injured by any means by any Scientologist without any discipline of the Scientologist. May be tricked, sued or lied to or destroyed."



Defended by Ford Greene - the lawyer who persuaded the California Supreme Court that the Unification Church (Moonies) should be liable for brainwashing and who won an acquittal for a felonious-charged deprogrammer on the ground that the kidnapping was necessary to avoid cult-danger - Armstrong is resisting Scientology's high-powered attack in an effort to affirm his right to free speech to maintain vigilance for the truth.

After Armstrong beat Scientology's lawsuit against him in 1984, he was poised to prosecute his own claims. For millions of dollars, however, in 1986 Scientology settled with him and over 17 other Scientology-knowledgeable individuals on the condition that those persons would forever keep silent, avoid giving sworn testimony by evading subpoenas, and never aid or assist any one adverse to Scientology.

Between its full-page daily ads in U.S.A. Today and purchasing the silence of judicially-credible adversaries, Scientology's strategy is to eliminate the competition in the marketplace of ideas for those who would swallow the claims of its widespread advertisements for the benefits of Dianetics: The Science of Mental Health.

Scientology has demanded that newly-elevated Marin County Superior Court Judge Michael Dufficy give them a preliminary injunction which would prevent Armstrong from speaking out and assisting other individuals locked in litigation with Scientology - while at the same time fabricating false scenarios in other court proceedings that Armstrong was an agent of the IRS out to destroy it. If Scientology has its way, Armstrong would either roll over, or if he exposed its lies about him, Scientology would demand he be jailed for contempt of court.

When Scientology first came to Marin County to go after Armstrong, it asked the Court to conduct all proceedings in secret in closed proceedings. The Court refused. Then Scientology asked the Court to seal the settlement agreement that Scientology wants the Court to enforce. The Court refused. Now, Scientology has obtained a temporary restraining order compelling Armstrong not to speak out on the subject of Scientology. Scientology would like to make it permanent and will attempt to do just that at the March 20th Marin Superior Court hearing.

FOR FURTHER INFORMATION CALL:

KIRK SEIDEL, Press Liaison  
(415) 457-5711

FORD GREENE (415) 258-0360





HEADLINE NEWS

[SHOT: Studio setting]

NARRATOR: A former member of the Church of Scientology claims he has damaging information about the organization, but he's being silenced by a Court Order. Don Nab explains.

[CNN CAPTION: SCIENTOLOGY.]

[SHOT: Close up of Armstrong with Ford Greene behind him. Then a pan of the courtroom, with attorney Andy Wilson arguing and a shot of the Judge.]

Don Nab: Gerald Armstrong says he knows a lot about the Church of Scientology and he's fighting in court for the chance to tell it. A former archivist of the organization he had first hand access to records of Scientology's controversial founder, L. Ron Hubbard.

[SHOT: Close up of Armstrong in an office. Don Nab narrating]

Gerald Armstrong: I'm an expert in the misrepresentations Hubbard has made about himself from the beginning of Dianetics until the day he died.

Don Nab: But that's about all that he can say legally. The Church of Scientology slapped Armstrong with a Court Order to prevent him from talking about what he may know.

[SHOT: Excerpt of Video tape of 1986 settlement signing.]

Heller: You are going to sign this of your own free will.

Armstrong: Yes.

[CNN caption: December 1986.]

Heller: OK. You're not suffering from any duress or coercion which is compelling you to sign this document.

[CNN CAPTION: Video provided by Anti-Scientology Attorney.]

Armstrong: No.



Heller: Alright, ...

Don Nab: As part of the lawsuit settlement documented by Scientology on this video tape, the Church paid Armstrong \$800,000. In that settlement Armstrong agreed not talk about the Church, it's documents, or its founder.

[1ST SHOT: Wilson and Hertzberg sitting at counsel table.]  
[2ND SHOT: Greene arguing at counsel table.]

Don Nab: Now, the Church of Scientology wants to block Armstrong from working with anti-Scientology attorney, Ford Greene.

Ford Greene: Gerald Armstrong possesses information about the Church of Scientology on first-hand basis that undercuts a lot of the claims that they make to the public on a daily basis in advertisements on TV and advertisements in newspapers.

[CNN CAPTION: Ford Greene, Anti-Scientology Attorney.]

[SHOT: Bartilson at counsel table with a stack of papers.]

Don Nab: Greene hired Armstrong as a paralegal, to help him with a lawsuit against Scientology in Los Angeles.

[SHOT: Wilson arguing at counsel table.]

Don Nab: Attorneys for the Church of Scientology claimed that Armstrong was breaking his settlement contract.

Andy Wilson: \$800,000. \$800,000 was paid to that man. And now that he's spent the money, he comes into this court and he says, "I don't have to keep my part of the bargain."

[CNN CAPTION: Andrew Wilson, Scientology Attorney.]

[SHOT: Judge Dufficy at Bench.]

Don Nab: Scientology won this round. The gag on Armstrong remains, for now.

[SHOT: Close up of Armstrong at counsel table.]

Don Nab: Armstrong is not alone. 12 former Scientology members have accepted money to settle lawsuits with the Church.

[SHOT: Pleading packs on counsel table.]

Don Nab: The settlements included, promises to remain quiet and take no part in further litigation against the Church.

[SHOT: Greene in law office.]

Ford Greene: It'll be extremely damaging because Scientology has spent a whole ton of dough, on keeping not only Gerry silent but a lot of other people silent. And if Gerry's case unravels, it's the first domino, and all the rest of them are going to unravel ...

[SHOT: Green in law office with interviewer.]

Don Nab: Attorney Greene says, Armstrong's knowledge of Scientology can prove the Church is not what it says it is.

[SHOT: Outside of the Courtroom. Armstrong and Phippeny prominent.]

Don Nab: Scientology says, Armstrong accepted a lot of money not to discuss the Church and should keep his word. Don Nab, CNN, San Raphael, California.

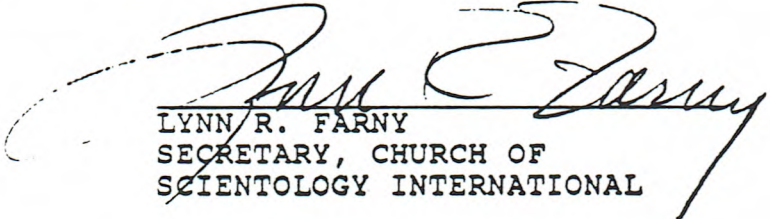


VERIFICATION

I, Lynn R. Farny, am the Secretary of the Church of Scientology International, plaintiff in this action. I have read the foregoing AMENDED VERIFIED COMPLAINT FOR DAMAGES AND FOR PRELIMINARY AND PERMANENT INJUNCTIVE RELIEF FOR BREACH OF CONTRACT and know the content thereof.

The same is true of my own knowledge, except as to those matters which are therein stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 4th day of June, 1992, at Los Angeles, California.

  
LYNN R. FARNY  
SECRETARY, CHURCH OF  
SCIENTOLOGY INTERNATIONAL

PROOF OF SERVICE

STATE OF CALIFORNIA            )  
                                  ) ss.  
COUNTY OF LOS ANGELES        )

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, CA 90028.

On June 4, 1992, I served the foregoing document described as AMENDED VERIFIED COMPLAINT FOR DAMAGES AND FOR PRELIMINARY AND PERMANENT INJUNCTIVE RELIEF FOR BREACH OF CONTRACT on interested parties in this action as follows:

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] a true copy thereof in a sealed envelope addressed as follows:

Graham Berry BY U.S. MAIL  
Lewis, D'Amato, Brisbois & Bisgaard  
221 N. Figueroa St. Suite 1200  
Los Angeles, CA 90012

[X] BY MAIL

[ ] \*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[X] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on June 4, 1992 at Los Angeles, California.



[ ] \*\*(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressee.

Executed on \_\_\_\_\_ at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Laurie J. Badits

  
Signature

\* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

\*\* (For personal service signature must be that of messenger)

PROOF OF SERVICE

STATE OF CALIFORNIA            )  
                                  )   ss.  
COUNTY OF LOS ANGELES        )

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[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] a true copy thereof in a sealed envelope addressed as follows:

Paul Morantz   BY HAND  
P.O. Box 511  
Pacific Palisades, CA 90272

[ ] BY MAIL

[ ] \*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[ ] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

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---

Signature

\* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

\*\* (For personal service signature must be that of messenger)

PROOF OF SERVICE

STATE OF CALIFORNIA        )  
                                  ) ss.  
COUNTY OF LOS ANGELES    )

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 235 Montgomery Street, Suite 450, San Francisco, CA 94104.

On June 4, 1992, I served the foregoing document described as AMENDED VERIFIED COMPLAINT FOR DAMAGES AND FOR PRELIMINARY AND PERMANENT INJUNCTIVE RELIEF FOR BREACH OF CONTRACT on interested parties in this action as follows:

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] a true copy thereof in a sealed envelope addressed as follows:

Ford Greene   BY HAND  
Hub Law Offices  
711 Sir Francis Drake Boulevard  
San Anselmo, CA 9490-1949

[ ] BY MAIL

[ ] \*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[ ] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on \_\_\_\_\_ at Los Angeles, California.



[x] \*\*(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressee.

Executed on June 4, at San Francisco, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

---

Signature

\* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

\*\* (For personal service signature must be that of messenger)





1 Ford Greene, Esquire  
California State Bar No. 107601  
2 HUB LAW OFFICES  
711 Sir Francis Drake Boulevard  
3 San Anselmo, California 94960-1949  
Telephone: (415) 258-0360

4 PAUL MORANTZ, ESQ.  
5 P.O. Box 511  
Pacific Palisades, CA 90272  
6 (213) 459-4745

7 Attorneys for Defendant  
GERALD ARMSTRONG  
8  
9

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
11 IN AND FOR THE COUNTY OF LOS ANGELES  
12

13 CHURCH OF SCIENTOLOGY )  
14 INTERNATIONAL, a California )  
not-for-profit religious )  
15 corporation; )

16 Plaintiffs, )

17 vs. )

18 GERALD ARMSTRONG; DOES 1 )  
through 25, inclusive, )

19 Defendants. )  
20 )

No. BC 052395

CROSS-COMPLAINT FOR DECLARATORY  
RELIEF, ABUSE OF PROCESS, AND  
BREACH OF CONTRACT

21 GERALD ARMSTRONG, )

22 Cross-Complainant, )

23 -vs- )  
24 )

25 CHURCH OF SCIENTOLOGY )  
INTERNATIONAL, a California )  
Corporation, CHURCH OF )  
26 SCIENTOLOGY OF CALIFORNIA, a )  
California Corporation, )  
27 RELIGIOUS TECHNOLOGY CENTER, a )  
California Corporation, )  
28 CHURCH OF SPIRITUAL )

COPY

1 TECHNOLOGY, )  
2 a California Corporation, )  
3 AUTHOR SERVICES, INCORPORATED, )  
4 a California Corporation, )  
5 AUTHOR'S FAMILY TRUST, ESTATE )  
6 OF L. RON HUBBARD, DAVID )  
7 MISCAVIGE, NORMAN STARKEY )  
8 and DOES 1 through 100, )  
9 inclusive, )  
10 Cross-Defendants. )  
11 )  
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28 )

Cross-Complainant GERALD ARMSTRONG alleges as follows:

PARTIES

1. Cross-Complainant GERALD ARMSTRONG, hereinafter, "ARMSTRONG," is a resident of Marin County, California.

2. Cross-Defendants CHURCH OF SCIENTOLOGY INTERNATIONAL, hereinafter "CSI," CHURCH OF SCIENTOLOGY OF CALIFORNIA, hereinafter "CSC," RELIGIOUS TECHNOLOGY CENTER, hereinafter "RTC," CHURCH OF SPIRITUAL TECHNOLOGY, hereinafter "COST," and AUTHOR SERVICES, INCORPORATED, hereinafter "ASI," are corporations organized and existing under the laws of the State of California, having principal offices and places of business in California and doing business within the State of California within the territorial jurisdiction of this Court.

3. Cross-Defendants AUTHOR'S FAMILY TRUST, hereinafter "AFT," and ESTATE OF L. RON HUBBARD, hereinafter "ERH," are entities that are residents of the State of California.

4. Cross-Defendant DAVID MISCAVIGE, hereinafter "MISCAVIGE," is an individual domiciled in the State of California.

5. Cross-Defendant NORMAN STARKEY, hereinafter



1 "STARKEY," is an individual domiciled in the State of California.

2 6. At all times herein mentioned, each Cross-Defendant  
3 was the agent, employee or coconspirator of each of the remaining  
4 Cross-Defendants, and in doing the things herein mentioned, each  
5 Cross-Defendant was acting within the course and scope of its  
6 employment and authority as such agent/  
7 representative/employee/coconspirator, and with the consent of the  
8 remaining Cross-Defendants.

9 7. Corporate Cross-Defendants named in paragraph 2,  
10 above, are subject to a unity of control, and the separate alleged  
11 corporate structures were created as an attempt to avoid payment  
12 of taxes and civil judgments and to confuse courts and those  
13 seeking redress for these Cross-Defendants' acts. Due to the  
14 unity of personnel, commingling of assets, and commonality of  
15 business objectives, these Cross-Defendants' attempts at  
16 separation of these corporations should be disregarded.

17 8. The designation of Cross-Defendants as "churches"  
18 or religious entities is a sham contrived to exploit the  
19 protections of the First Amendment of the United States  
20 Constitution and to justify their criminal, tortious and  
21 antisocial acts against ARMSTRONG and their other victims. Cross-  
22 Defendant corporations are an international, money-making,  
23 politically motivated enterprise which subjugates and exploits its  
24 employees and customers with coercive psychological techniques,  
25 threat of violence and blackmail. Cross-Defendant corporations,  
26 CSI, CSC, RTC, COST and ASI act as one organization and are termed  
27 hereinafter as the "ORG."

28 9. Cross-Defendant MISCAVIGE controls and operates the



1 ORG and uses it to enforce his orders and carry out his attacks on  
2 groups, agencies or individuals, including the acts against  
3 ARMSTRONG alleged herein.

4 10. Cross-Defendant entities AFT and ERH derive  
5 financial benefit from the ORG, participate in its acts against  
6 groups, agencies or individuals, including ARMSTRONG, and  
7 participate in MISCAVIGE's and the ORG's efforts to avoid payment  
8 of taxes and civil judgments and to confuse courts and persons  
9 seeking redress of grievances against MISCAVIGE and the ORG.

10 11. Cross-Defendant STARKEY controls and operates AFT  
11 and ERH and uses them in conspiracy with MISCAVIGE to carry out  
12 their attacks on groups, agencies or individuals, including the  
13 acts against ARMSTRONG alleged herein.

14 12. Cross-Defendants DOES 1 through 100, inclusive, are  
15 sued herein under such fictitious names for the reason that the  
16 true names and capacities of said Cross-Defendants are unknown to  
17 ARMSTRONG at this time; that when the true names and capacities of  
18 said Cross-Defendants are ascertained ARMSTRONG will ask leave of  
19 Court to amend this Cross-Complaint to insert the true names and  
20 capacities of said fictitiously named Cross-Defendants, together  
21 with any additional allegations that may be necessary in regard  
22 thereto; that each of said fictitiously named Cross-Defendants  
23 claim that ARMSTRONG has a legal obligation to Cross-Defendants by  
24 virtue of the facts set forth below; that each of said  
25 fictitiously named Cross-Defendants is in some manner legally  
26 responsible for the acts and occurrences hereinafter alleged.

27 ///

28 ///



1 FACTUAL ALLEGATIONS

2 13. From 1969 through 1981 ARMSTRONG was a  
3 Scientologist who devoted his life to Scientology founder, L. Ron  
4 Hubbard, the ideals he proclaimed and the Scientology organization  
5 he claimed to have built to promulgate those ideals. After  
6 leaving Hubbard's and the organization's employ and control in  
7 December 1981, ARMSTRONG was declared by the ORG a "Suppressive  
8 Person," or "SP," which designated him an "enemy," and became the  
9 target of Hubbard's policy of "Fair Game," which states:

10 "ENEMY - SP Order. Fair Game. May be deprived of  
11 property or injured by any means by any  
12 Scientologist without any discipline of the  
13 Scientologist. May be tricked, sued or lied to or  
14 destroyed." (Hubbard Policy Letter 18 October, 1967,  
15 "Penalties for Lower Conditions.")

16 The ORG, using Cross-Defendant herein CSC as Plaintiff, filed a  
17 lawsuit, No. C 420153, in the Los Angeles Superior Court against  
18 ARMSTRONG on August 2, 1982. ARMSTRONG filed a Cross-Complaint  
19 against Cross-Defendants CSC and L. RON HUBBARD September 17,  
20 1982, and a Third Amended Cross-Complaint against Cross-Defendants  
21 CSC, CSI, RTC and L. RON HUBBARD July 1, 1983. The Complaint and  
22 the Cross-Complaint thereto, hereinafter referred to together as  
23 Armstrong I, were bifurcated and the underlying Complaint was  
24 tried without a jury in 1984. A Memorandum of Intended Decision  
25 was rendered by Judge Paul G. Breckenridge, Jr. June 20, 1984 and  
26 entered as a Judgment August 10, 1984. The ORG appealed.

27 14. During the Armstrong I litigation the ORG carried  
28 out a massive and international campaign of Fair Game against



1 ARMSTRONG and his lawyer, Michael J. Flynn of Boston,  
2 Massachusetts, hereinafter "Flynn," who had been the prime mover  
3 in much of the anti-ORG-related litigation throughout the United  
4 States. Acts against ARMSTRONG pursuant to Fair Game included  
5 assault, an attempted staged highway accident, attempted  
6 entrapment, theft of private papers and original artwork,  
7 dissemination of information from his confidential "counseling"  
8 records, filing false criminal charges on at least five occasions,  
9 global defamation, threat of murder, and illegal electronic  
10 surveillance. ARMSTRONG learned during the period he was  
11 represented in the litigation by Flynn that Fair Game acts against  
12 Flynn included attempted murder, theft of private papers, threats  
13 against his family, defamation, thirteen frivolous lawsuits,  
14 spurious bar complaints, and framing with the forgery of a  
15 \$2,000,000 check on a bank account of L. Ron Hubbard.

16 15. In the fall of 1986, while working as a paralegal  
17 in the Flynn firm, ARMSTRONG was aware that settlement talks  
18 involving all the ORG-related cases in which Flynn was either  
19 counsel or party were occurring in Los Angeles, California between  
20 Flynn and the ORG. Such talks had occurred a number of times over  
21 the prior four years. On December 5, 1986 ARMSTRONG was flown to  
22 Los Angeles, as were several other of Flynn's clients with claims  
23 against the organization, to participate in a "global settlement."  
24 Prior to flying to Los Angeles, ARMSTRONG had reached an agreement  
25 with Flynn on a monetary figure to settle Armstrong I, but did not  
26 know any of the other conditions of settlement.

27 16. After ARMSTRONG's arrival in Los Angeles, Flynn  
28 showed him a copy of a document entitled "Mutual Release of All



1 Claims and Settlement Agreement," hereinafter "the settlement  
2 agreement," and some other documents including affidavits, and was  
3 advised by Flynn that he was expected to sign them all. Upon  
4 reading the settlement agreement ARMSTRONG was shocked and  
5 heartsick. (ARMSTRONG hereby waives the attorney-client privilege  
6 between him and Flynn only as to their conversations concerning  
7 the settlement agreement, the settlement and post-settlement  
8 events.) ARMSTRONG told Flynn that the condition of "strict  
9 confidentiality and silence with respect to his experiences with  
10 the" ORG, since it involved over seventeen years of his life was  
11 impossible to perform. ARMSTRONG told Flynn that the liquidated  
12 damages clause was outrageous; that pursuant to the agreement  
13 ARMSTRONG would have to pay \$50,000.00 if he told a medical  
14 doctor or psychologist about his experiences from those years, or  
15 if he put on a job resume what positions he had held during his  
16 organization years. He told Flynn that the requirements of non-  
17 amenability to service of process and non-cooperation with persons  
18 or organizations adverse to the ORG were obstructive of justice.  
19 He told Flynn that agreeing to leave the ORG's appeal of the  
20 Breckenridge decision and not respond to any subsequent appeals  
21 was unfair to the courts and all the people who had been helped by  
22 the decision. ARMSTRONG told Flynn that an affidavit the ORG was  
23 demanding that he sign was false, that there had been no  
24 management change, that preclear folders were still being culled  
25 (as his had been in mid-1986), and that he had the same  
26 disagreements with the ORG's Fair Game policies and actions, which  
27 had continued without change up to that date. ARMSTRONG told  
28 Flynn that he was being asked to betray everything and everyone he



1 had fought for against organization injustice.

2 17. In answer to ARMSTRONG's objections to the  
3 settlement agreement Flynn said that the silence and liquidated  
4 damages clauses, and anything which called for obstruction of  
5 justice were "not worth the paper they [were] printed on." Flynn  
6 stated that representation a number of times and in a number of  
7 ways; e.g., that ARMSTRONG could not contract away his  
8 Constitutional rights; that the conditions were unenforceable.  
9 Flynn stated that he had advised the ORG's lawyers that those  
10 conditions in the settlement agreement were not worth the paper  
11 they were printed on, but that the ORG, nevertheless, insisted on  
12 their inclusion and would not agree to any changes. Flynn pointed  
13 out to ARMSTRONG the clauses in the settlement agreement  
14 concerning his release of his claims against the ORG and the ORG's  
15 release of its claims against ARMSTRONG and stated that they were  
16 the essential elements of the settlement and what the organization  
17 was paying for.

18 18. Flynn also stated to ARMSTRONG at that time that he  
19 was sick of the litigation and the threats to him and his family,  
20 and that he wanted to get out. Flynn stated that all the people  
21 involved in his side of the ORG-related litigation were sick of it  
22 and wanted to get on with their lives. He said that as a  
23 condition of settlement he and his co-counsels in the ORG-related  
24 litigation had agreed to not become involved in that litigation in  
25 the future. Flynn conveyed to ARMSTRONG a hopelessness concerning  
26 the inability of the courts of this country to deal with the ORG,  
27 its lawyers and their contemptuous abuse of the justice system.  
28 Flynn told ARMSTRONG that if he didn't sign the documents all he



1 had to look forward to was more years of harassment and misery.  
2 When ARMSTRONG expressed his continuing objections to the  
3 settlement agreement, Edward Walters, whom Flynn had kept present  
4 in the room during this discussion with ARMSTRONG, and who was  
5 another of Flynn's clients and a participant in the settling of  
6 Flynn's ORG-related litigation, yelled at ARMSTRONG accusing him  
7 of killing the settlement for everyone, that everyone else had  
8 signed or would sign, and that everyone else wanted the  
9 settlement. Flynn told ARMSTRONG that the ORG would only settle  
10 with everyone together; otherwise there would be no settlement.  
11 Flynn did agree to ask the ORG to include a clause in ARMSTRONG's  
12 settlement agreement allowing him to keep his creative works  
13 relating to L. Ron Hubbard or the organization.

14           19. Flynn stated to ARMSTRONG that a major reason for  
15 the settlement's "global" form was to give the ORG the opportunity  
16 to change its combative attitude and behavior by removing the  
17 threat he and his clients represented to it. He said that the ORG  
18 wanted peace and unless ARMSTRONG signed the ORG's documents there  
19 would be no peace. Flynn stated that the ORG's attorneys had  
20 promised that the affidavit ARMSTRONG considered false would only  
21 be used by the ORG if ARMSTRONG began attacking it after the  
22 settlement. Since ARMSTRONG had no intention of attacking the  
23 ORG, and wanted peace for all, he understood that the offensive  
24 affidavit would never see the light of day.

25           20. During ARMSTRONG's meeting with Flynn he found  
26 himself facing a dilemma. If he refused to sign the settlement  
27 agreement and affidavit all the other settling litigants, many of  
28 whom had already been flown to Los Angeles in anticipation of a



1 settlement, would be extremely disappointed and would continue to  
2 be subjected to organization harassment for an unknown period of  
3 time. ARMSTRONG had been positioned as a deal-breaker and led to  
4 believe he would lose the support of some, if not all, of the  
5 settling claimants, several of whom were key witnesses in his case  
6 against the ORG. ARMSTRONG was led to believe that all the  
7 lawyers involved in his case desperately wanted out of the ORG-  
8 related litigation, and should he not sign the settlement  
9 documents would become unhappy and unwilling in their  
10 representation of him, which prospect he found very distressing.  
11 ARMSTRONG reasoned that, on the other hand, if he did sign the  
12 settlement documents all his co-litigants, some of whom he knew to  
13 be in financial trouble, would be happy, the stress they felt  
14 would be reduced and they could get on with their lives.  
15 ARMSTRONG believed that Flynn and his other lawyers would be happy  
16 and the threat to them and their families removed. ARMSTRONG  
17 believed that the ORG would have the opportunity its lawyers said  
18 it desired to clean up its act, start anew and live peacefully.  
19 ARMSTRONG was happy to have the litigation end, to have the  
20 opportunity to get on with the next phase of his life, to have the  
21 financial wherewithal to do so, to not have to testify in all the  
22 litigation and to not have to respond to the media's frequent  
23 questions. Thus, armed with Flynn's assurance that the conditions  
24 he found so offensive in the settlement agreement were not worth  
25 the paper they were printed on, and the knowledge that the ORG's  
26 attorneys were also aware of that fact, ARMSTRONG put on a happy  
27 face and on the following day went through the charade of a  
28 videotaped signing. A true and correct copy of the settlement



1 agreement is attached hereto as Exhibit A.

2 21. On December 11, 1986, pursuant to stipulation,  
3 Judge Breckenridge issued orders dismissing the Armstrong I Cross-  
4 Complaint, directing that the settlement agreement be filed and  
5 retained by the clerk under seal, releasing to the ORG all trial  
6 exhibits and other documents which had been held by the clerk of  
7 the Court, and sealing the entire Court file. Despite the Court's  
8 specific order the ORG never filed the Settlement Agreement.

9 22. On December 18, 1986 the California Court of  
10 Appeal, Second Appellate District, Division Three, issued an  
11 unpublished opinion dismissing the ORG's appeal from the  
12 Breckenridge decision on the ground that there would be no  
13 appealable final judgment until after trial of the Armstrong I  
14 Cross-Complaint. In the meantime, however, as described above,  
15 the ORG had settled the Cross-Complaint with ARMSTRONG.

16 23. The ORG filed a Petition for Rehearing of its  
17 appeal in the Court of Appeal, which was denied January 15, 1987;  
18 then a Petition for Review by the California Supreme Court which  
19 was denied March 11, 1987. On January 30, 1987 the ORG filed in  
20 the Los Angeles Superior Court an "Unopposed Motion to Withdraw  
21 Memorandum of Intended Decision," which Judge Breckenridge denied  
22 February 2, 1987. On February 9, 1987 the ORG filed a Notice of  
23 Appeal from the orders issued pursuant to stipulation by Judge  
24 Breckenridge on December 11, 1986.

25 24. The ORG, and all Cross-Defendants herein, did not  
26 desire peace from the December 1986 settlement with ARMSTRONG but  
27 an advantage wherein they could continue to attack him without his  
28 being able to respond. They removed his lawyers from defending



1 him, and used his lead lawyer, Flynn, as their agent to relay to  
2 ARMSTRONG threats of litigation and to keep him from responding to  
3 their attacks. Immediately following the settlement ORG  
4 operatives contacted Beverly Rutherford, one of ARMSTRONG's  
5 friends from his pre-Scientology past, to try to get information  
6 from her concerning ARMSTRONG of a personal and embarrassing  
7 nature to be used against him. Also immediately following the  
8 settlement the ORG delivered a pack of documents concerning and  
9 attacking ARMSTRONG to reporters Robert Welkos and Joel Sappell of  
10 the Los Angeles Times. The ORG has continued from the date of the  
11 settlement to collect intelligence information on ARMSTRONG, to  
12 consider him an enemy and to treat him as Fair Game. The  
13 settlement itself in intention, form, and effect was an act of  
14 Fair Game.

15           25. Although contacted a number of times by the media  
16 for statements concerning the ORG or Hubbard in the three years  
17 following the settlement, ARMSTRONG did not make any public  
18 statements during that period. He attempted to live peacefully  
19 and did not respond to ORG attacks, notwithstanding the fact that  
20 the attacks caused him great distress, had a great deleterious  
21 effect on his life, and caused him to become hopeless about ever  
22 really being left in peace by the ORG, its operatives and helots.

23           26. In the fall of 1987 ARMSTRONG received a document,  
24 which had been created and circulated by the ORG to discredit  
25 ARMSTRONG and writer Bent Corydon. In this document the ORG  
26 accused ARMSTRONG of "numerous false claims and lies," of  
27 "incompetence as a researcher," as having "stolen valuable  
28 documents from [ORG] archives," and of being part of "a small



1 cabal of thieves, perjurers and disreputable sources." Such  
2 statements were themselves lies, known to the ORG to be lies,  
3 malicious, and intended to destroy ARMSTRONG's reputation and  
4 credibility. In this document as well the ORG describes  
5 ARMSTRONG's experiences in the organization as Hubbard's archivist  
6 and biographical researcher, and discusses aspects of the  
7 Armstrong I litigation, all in violation of the letter and spirit  
8 of the settlement. The statements in this document concerning  
9 ARMSTRONG caused him great emotional distress.

10 27. On October 7, 1987 ARMSTRONG received a call from  
11 Flynn who relayed to him a message from Earle C. Cooley, a  
12 principal ORG lawyer, concerning the then proceeding trial in the  
13 case of Church of Scientology of California v. Russell Miller and  
14 Penguin Books Limited in the High Court of Justice, Case No. 6140  
15 in London, England. According to Flynn, Cooley stated that it had  
16 been disclosed during the trial that Miller possessed documents in  
17 violation of sealing orders in Armstrong I, and Cooley threatened  
18 that if ARMSTRONG talked to any of the attorneys or parties  
19 involved in the trial the ORG would view it as a breach of the  
20 settlement agreement. ARMSTRONG took this message as a very real  
21 threat, as an act of Fair Game, and was emotionally shocked by it.  
22 ARMSTRONG did not know at that time that the ORG was filing  
23 affidavits in the Miller case attacking him and accusing him of  
24 the alleged sealing order violations.

25 28. In early 1988 ARMSTRONG received a number of  
26 affidavits the ORG had filed in Miller, which accuse ARMSTRONG of,  
27 inter alia, retaining documents in violation of a Los Angeles  
28 Superior Court order, providing documents to Russell Miller in



1 violation of a court order, and violating court sealing orders.  
2 The affidavits, moreover, accuse ARMSTRONG of being "an admitted  
3 agent provocateur of the U.S. Federal Government who planned to  
4 plant forged documents in [ORG] files which would then be "found"  
5 by Federal officials in subsequent investigations as evidence of  
6 criminal activity," and of intending to "plant forged documents  
7 within the [ORG] and then using the contents to get the [ORG]  
8 raided. All of the ORG's accusations regarding ARMSTRONG in the  
9 affidavits filed in Miller are false, known by the ORG to be  
10 false, malicious and intended to destroy ARMSTRONG's credibility.  
11 The act of threatening ARMSTRONG with a lawsuit if he communicated  
12 with attorneys in the Miller case while the ORG was filing  
13 perjurious affidavits about him in that case is a criminal  
14 obstruction of justice. This strategy caused and continues to  
15 cause ARMSTRONG terrible emotional distress. It demonstrates the  
16 ORG's hatred for ARMSTRONG, its cynical abuse of the processes of  
17 justice, its unrelenting determination to destroy ARMSTRONG, its  
18 complete disregard for the truth, and its disregard for  
19 ARMSTRONG's mind, spirit or feelings. ARMSTRONG has proven over  
20 and over to the ORG that its accusations are false, but the ORG  
21 has not corrected the falsehoods wherever they have been uttered  
22 or written but has continued to spread its lies about ARMSTRONG in  
23 pathological defiance.

24 29. The ORG's affidavits filed in Miller also contain  
25 descriptions of ARMSTRONG's experiences in the organization and  
26 conditions of the settlement agreement. At the same time the ORG  
27 demanded that ARMSTRONG not discuss his own experiences or  
28 conditions of settlement on penalty of \$50,000.00 an utterance.



1 The ORG, while falsely accusing ARMSTRONG in Miller of sealing  
2 order violations, itself filed documents in the case straight out  
3 of the sealed Armstrong I file. These are samples of the ORG's  
4 perversions of rationality, abuse of the legal process and  
5 malicious duplicity that have continued as the ORG's modus  
6 operandi in its legal relationship with ARMSTRONG since the  
7 settlement. These perversions and abuses are intended, pursuant  
8 to the ORG's policies of hatred in action, to bring about  
9 ARMSTRONG's mental disintegration and total destruction. They are  
10 conscious and premeditated acts by the ORG of Fair Game. These  
11 acts have caused ARMSTRONG great anguish and threatened his peace  
12 and capacity to live a normal life.

13 30. Also in October 1987 ARMSTRONG received a call from  
14 a reporter from the London Sunday Times who advised him that ORG  
15 representatives had given the newspaper a pack of documents  
16 concerning him. The reporter said that the ORG representatives  
17 were claiming that ARMSTRONG was an agent provocateur who tried to  
18 plant forged documents in the organization and wanted to destroy  
19 the scientology religion. The reporter also said that the ORG  
20 representatives had given the newspaper a videotape of ARMSTRONG  
21 they claimed showed him conspiring to overthrow ORG management.  
22 ARMSTRONG was extremely distressed by what the reporter told him  
23 the ORG had done; nevertheless he told the reporter that although  
24 he considered the ORG's attacks violated the settlement agreement  
25 he would not respond to them.

26 31. On December 21, 1988 ARMSTRONG received a call from  
27 Flynn who relayed a message from Michael Lee Hertzberg, one of the  
28 organization's leading lawyers. Flynn stated that Paul Morantz,



1 Bent Corydon's attorney in the case of Corydon v. CSI, Los Angeles  
2 Superior Court case no. C 694401, had filed a motion to unseal the  
3 Armstrong I court file. Judge Bruce R. Geernaert, who had  
4 inherited the Armstrong I case after Judge Breckenridge retired,  
5 allowed the unsealing. Flynn told ARMSTRONG that the ORG had  
6 thirty days to appeal and wanted ARMSTRONG to file a pleading to  
7 keep the court file sealed, and that if he didn't the "pig  
8 document" would come out. This document, which was specifically  
9 sealed by Judge Breckenridge in Armstrong I, was the recitation of  
10 a dream ARMSTRONG had had in 1985. ARMSTRONG had sent it to Dan  
11 Sherman, a writer ARMSTRONG had been led to believe in 1984, as a  
12 result of an ORG intelligence operation, hereinafter "Armstrong  
13 Operation," designed to entrap him and destroy his reputation, was  
14 helping his writing career by critiquing his literary efforts.  
15 Sherman, whom the ORG was controlling in the Armstrong Operation  
16 through blackmail, turned ARMSTRONG's dream over to his ORG  
17 handlers. The ORG filed the dream in Armstrong I as proof that  
18 ARMSTRONG was "a pathetic and troubled individual who engaged in  
19 one illegal or deviant act after another." Flynn also told  
20 ARMSTRONG during his December 21 call that Hertzberg had said that  
21 if ARMSTRONG didn't file a pleading it would unsettle the  
22 settlement and that Hertzberg said he had a case on point. Flynn  
23 told ARMSTRONG that Hertzberg said it would be bad for him; that  
24 ARMSTRONG could have to give back the settlement money. Flynn  
25 told ARMSTRONG that Hertzberg's message was "a veiled threat."  
26 Although ARMSTRONG was grief-stricken by this threat he stated to  
27 Flynn that his decision was to do nothing.

28 32. On December 27, 1988 ARMSTRONG spoke again by phone



1 with Flynn, who said that after Judge Geernaert's unsealing of the  
2 Armstrong I court file the ORG filed a notice of appeal from the  
3 Geernaert ruling and a petition for a writ of supersedeas,  
4 claiming the file's sealing was consideration for settlement. In  
5 his response Morantz had filed some settlement documents, a notary  
6 seal from the State of Pennsylvania on which identified William  
7 Franks, like ARMSTRONG a former organization executive and witness  
8 in various ORG-related cases, as their source. Franks had sent  
9 the documents to a lawyer to look at and that lawyer had sent them  
10 to another lawyer who had given them to Morantz. Flynn said to  
11 ARMSTRONG that the ORG has reacted, claimed to have "the smoking  
12 gun," the proof of settlement agreement violations. Flynn said  
13 that the ORG knew that during the previous summer Franks had spent  
14 time with Richard and Vicki Aznaran, ORG executives who had  
15 defected and filed a lawsuit against it, and the ORG had some  
16 instance of Homer Schomer doing something three weeks before this  
17 conversation with ARMSTRONG. Flynn advised ARMSTRONG that he was  
18 going to file a pleading to say that the settlement documents  
19 should remain sealed. ARMSTRONG said to Flynn that he felt the  
20 file should be unsealed, that it would almost certainly be  
21 unsealed at some point, but that he would not file a pleading at  
22 that time. Around November 15, 1989 ARMSTRONG received from Toby  
23 Plevin a copy of the document Flynn had filed against Armstrong's  
24 wishes entitled "Response of Gerald Armstrong to Opposition Filed  
25 By Real Party in Interest, Bent Corydon."

26 33. On October 11, 1989 ARMSTRONG was served with a  
27 deposition subpoena duces tecum which had been issued by Toby  
28 Plevin, an attorney representing Corydon in his litigation against



1 the ORG. Within a few days of this service Plevin called  
2 ARMSTRONG to confirm that the deposition venue was acceptable and  
3 advise him that the October 20 deposition date would probably be  
4 changed, and to ask him for alternative dates which would be  
5 convenient for him. ARMSTRONG spoke with Plevin two or three times  
6 over the next week to set or cancel dates. During one  
7 conversation Plevin informed ARMSTRONG that she had received "a  
8 threatening letter" concerning ARMSTRONG's deposition from ORG  
9 lawyer Lawrence Heller. Plevin read to ARMSTRONG parts of  
10 Heller's letter in which he stated that it was inconceivable that  
11 ARMSTRONG had any information relevant to Corydon's lawsuit, that  
12 Plevin was seeking to breach the settlement agreement by  
13 proceeding with ARMSTRONG's deposition, and that should it ever go  
14 forward he would apply to the court for sanctions. At this point  
15 ARMSTRONG realized that he was viewed as very important to both  
16 sides in the Corydon litigation, that he was again intensely  
17 involved with the ORG and could not avoid involvement.

18 34. On October 23, 1989 ARMSTRONG received a call from  
19 Heller who stated that the ORG would seek a protective order to  
20 prevent the deposition from going forward but that it probably  
21 would anyway. Heller asked ARMSTRONG if he would have an attorney  
22 at the deposition, and ARMSTRONG said that Michael Flynn did not  
23 wish to be involved, that so far he did not have another attorney  
24 for the deposition, and that it was likely that he would not.  
25 Heller offered to have the ORG pay for an attorney for ARMSTRONG  
26 to be present at the deposition. ARMSTRONG asked Heller if it  
27 could be any attorney of his choice, and Heller stated that he  
28 didn't see any problem but would need to ensure that the attorney



1 did what the ORG wanted. He said that to maintain the settlement  
2 agreement ARMSTRONG could only answer questions by court order,  
3 that ARMSTRONG should refuse to answer the deposition questions  
4 and force Corydon to get an order from the court compelling  
5 ARMSTRONG to answer. ARMSTRONG told Heller that he would think  
6 about the problem and get some advice. Heller gave ARMSTRONG his  
7 phone number and asked ARMSTRONG to call him back within two days.

8 35. Following his conversation with Heller, ARMSTRONG  
9 called Flynn and informed him of Heller's call and offer. Flynn  
10 said that Heller had called him earlier and offered to pay him to  
11 attend ARMSTRONG's deposition to prevent his testifying. Flynn  
12 said that he had refused Heller's offer and reiterated that he did  
13 not wish to be involved in any way in ORG-related litigation.  
14 ARMSTRONG confirmed with Flynn that nothing in the settlement  
15 agreement proscribed his obtaining assistance or advice from  
16 anyone currently involved in litigation against the ORG. ARMSTRONG  
17 then called Plevin, told her of Heller's offer to have the ORG pay  
18 for an attorney for him at the deposition, and asked her if she  
19 and Corydon could match the offer. Plevin stated that she was a  
20 sole practitioner, that she and Corydon were keeping his lawsuit  
21 going "on a shoestring," and that even if they could afford it  
22 they would not pay for an attorney for ARMSTRONG because it would  
23 be unethical.

24 36. On October 25, 1989 ARMSTRONG called Heller to tell  
25 him he considered it inappropriate for the ORG to pay for an  
26 attorney for him. Heller told ARMSTRONG that he had a problem  
27 with ARMSTRONG responding to deposition questions concerning such  
28 things as L. Ron Hubbard's misrepresentations or ARMSTRONG's



1 period as Hubbard's archivist in the organization. Heller said he  
2 wanted to have an attorney present to instruct ARMSTRONG not to  
3 answer such questions so that Corydon would have to move to compel  
4 an answer. Heller said that if the court ordered sanctions for  
5 ARMSTRONG's refusal to answer, the ORG would indemnify him.  
6 Heller said that ARMSTRONG had a contractual obligation to the  
7 ORG, which it had paid a lot of money for, not to divulge  
8 confidential information, and that if ARMSTRONG did answer  
9 deposition questions he would have breached the settlement  
10 agreement and may get sued. Heller said that he realized that  
11 ARMSTRONG was in the middle and that his safest position was to  
12 refuse to answer, make Corydon bring a motion to compel and let  
13 the court be the final arbiter.

14 37. Heller's threats, the earlier threats and ORG post-  
15 settlement attacks described above, ARMSTRONG's understanding of  
16 his importance to and involvement with the ORG, and his knowledge  
17 of the ORG, its fraud and Fair Game, moved him at that time to  
18 protect himself by taking a stand against the ORG's antisocial  
19 acts. ARMSTRONG's own lawyer, even though compromised, had  
20 advised him that the restrictive conditions of the settlement  
21 agreement were unenforceable, yet the ORG was attempting to  
22 enforce them in a manner which was inconsistent with the spirit of  
23 settlement. ARMSTRONG viewed the conditions and their attempted  
24 enforcement as an ongoing obstruction of justice and violation of  
25 his and others' Constitutional rights, and he began to assemble  
26 documentation and prepare a declaration to oppose these ORG  
27 abuses.

28 38. On November 1, 1989 Heller, on behalf of ORG entity



1 ASI, a defendant in Corydon, filed a motion "to Delay or Prevent  
2 the Taking of Certain Third Party Depositions," relating to the  
3 depositions of Homer Schomer and ARMSTRONG. Heller states in the  
4 motion:

5 "One of the key ingredients to completing these  
6 settlement, insisted upon by all parties involved, was  
7 strict confidentiality respecting: (1) the Scientology  
8 parishioner or staff member's experiences within the  
9 Church of Scientology; (2) any knowledge possessed by  
10 the Scientology entities concerning those staff members  
11 or parishioners; and (3) the terms and conditions of the  
12 settlements themselves."

13 39. On November 18, 1989 ARMSTRONG received a copy of a  
14 videotape edited from illegal videotapes of him made in 1984 by  
15 ORG intelligence operatives and used thereafter against him. This  
16 copy had been given to the London Sunday Times, along with a  
17 package of documents concerning ARMSTRONG by ORG operatives.  
18 Taped to the video cassette was the business card of Eugene M.  
19 Ingram, the ORG's private detective who had set up the illegal  
20 videotaping. Ingram had also, in 1984, in a telephone call to  
21 ARMSTRONG threatened to "put a bullet between [his] eyes." Ingram  
22 is well-known by ORG victims as a vicious, dishonest bully, and is  
23 reputed to have been thrown off the Los Angeles Police Department  
24 for pimping, pandering and cocaine use.

25 40. On November 20, 1989 ARMSTRONG received a call from  
26 Heller who said he wanted to talk ARMSTRONG into giving the ORG a  
27 declaration. Heller said Homer Schomer, who had also been  
28 subpoenaed to testify at a deposition in Corydon had given the ORG



1 a declaration. Heller said that it was very simple and  
2 straightforward, just two things: that ARMSTRONG had either no or  
3 minimal contact with Corydon in the organization, and that  
4 subsequent to leaving he had received no information about  
5 Corydon. Heller said that ARMSTRONG's signing a declaration to  
6 help ensure the deposition doesn't go forward would be of  
7 assistance to the ORG and ARMSTRONG. Heller said that if  
8 ARMSTRONG's deposition went forward they would both have hassles.  
9 ARMSTRONG told Heller that it would be inappropriate and he  
10 couldn't give Heller a declaration. ARMSTRONG told Heller that  
11 he knew Corydon quite well. Heller said that he and the ORG did  
12 not see ARMSTRONG as a relevant witness but a way for Corydon's  
13 attorneys to leverage a settlement. ARMSTRONG told Heller that he  
14 saw himself as a relevant witness, and that "from everything I've  
15 seen that's going on and everything I've heard that's going on and  
16 knowing my history and the issues I cannot see ducking (the  
17 deposition) at all. The truthful declaration would be that I  
18 would see that my experiences and my knowledge of Bent would be  
19 relevant to his case." Heller said that if ARMSTRONG thought he  
20 would be helping Bent Corydon by appearing, he might, but that for  
21 sure Corydon would never help ARMSTRONG. Heller said that only  
22 the ORG would ever help him. Heller said that ARMSTRONG should  
23 assist the ORG because it had honored its agreement. He said that  
24 the ORG had signed a non-disclosure agreement as well and as far  
25 as he knew had lived up to its agreement. When ARMSTRONG paused  
26 in answering, Heller said that if there had been any violations he  
27 wanted to know and he would rectify the problem. ARMSTRONG  
28 stated, "I think you could check with Ken Long on what has been



1 done regarding Gerald Armstrong subsequent to the settlement.  
2 Just get from him everything that's been filed regarding  
3 Armstrong, all his declarations regarding me, all the so-called  
4 false report corrections that have been put out subsequent to the  
5 settlement, any time the so-called Armstrong Operation videotape  
6 has been used subsequent to the settlement." Heller reiterated at  
7 the end of the conversation that if ARMSTRONG started to testify,  
8 for example about the Hubbard biography project, or things he and  
9 the ORG considered irrelevant, they would carefully examine their  
10 rights as to what action they will take. He said that he strongly  
11 suggested that ARMSTRONG refuse to answer subject to attorney  
12 instruction. He told ARMSTRONG that he had a contractual  
13 obligation as far as he could tell.

14 41. On November 30, 1989 ARMSTRONG attended a hearing  
15 in Corydon of the ORG's motion to prevent his deposition from  
16 going forward. While at the hearing he was served with a subpoena  
17 duces tecum ordering him to appear as a witness in the trial of  
18 Religious Technology Center v. Joseph A. Yanny, Los Angeles  
19 Superior Court Case no. C 690211. On February 15, 1990 ARMSTRONG  
20 received a call from one of Michael Flynn's partners, attorney  
21 Michael A. Tabb, who said he had been called by Heller who told  
22 him that the ORG considered ARMSTRONG had violated the settlement  
23 agreement by being in the courthouse to be served in Yanny, that  
24 they intended to prove it, and that he would be sued.

25 42. On January 18, 1990 ARMSTRONG received from Flynn,  
26 Sheridan and Tabb, a copy of Appellants' Opening Brief which the  
27 ORG had filed December 21, 1989 in appeal no. B025920 in Division  
28 Three of the Second Appellate District in the California Court of



1 Appeal. In this appeal, the notice of which had been filed  
2 February 9, 1987, the ORG sought a reversal of the 1984  
3 Breckenridge decision. On January 30, 1990 ARMSTRONG received  
4 from Flynn, Sheridan & Tabb the Reply Brief of Appellants and  
5 Response to Cross-Appeal filed in Division Four in the Second  
6 Appellate District in an appeal entitled Church of Scientology of  
7 California and Mary Sue Hubbard, Appellants, against Gerald  
8 Armstrong, Defendant; Bent Corydon, Appellee, No. B038975. In  
9 this appeal the ORG sought a reversal of Judge Geernaert's ruling  
10 unsealing the Armstrong I court file.

11 43. Although and because the settlement agreement  
12 prohibited ARMSTRONG from opposing in any way any of the appeals  
13 the ORG might take, he filed a Petition for Permission to Respond  
14 in the B025920 Division Three appeal February 28, 1990, and in the  
15 B038975 Division Four appeal March 1, 1990. The Division Three  
16 Court granted Armstrong's petition March 9, and he filed a  
17 Respondent's Brief July 9, 1990 in that appeal. On April 9, 1990  
18 the B038975 appeal was transferred to the Division Three Court,  
19 which on October 16, 1990 granted Armstrong's petition to respond  
20 in that appeal, and Armstrong filed a responding brief December  
21 28, 1990. The Division Three Court consolidated the two appeals  
22 and issued its opinion July 29, 1991, upholding the Breckenridge  
23 decision and denying the Geernaert ruling as to public access.  
24 Corydon had already had access and had copied approximately 20  
25 inches of documents from the Court's file.

26 44. Although Armstrong attempted to abide by the spirit  
27 of settlement and bring peace to his relationship with the ORG, he  
28 was driven back into its litigations and compelled to combat its



1 antisocial practices because of its post-settlement attacks on his  
2 character and credibility, its threats of litigation or exposure  
3 of incidents from his past that the ORG considered embarrassing to  
4 him or useful in controlling him, its own violations of the  
5 settlement agreement, and its use of the agreement to obstruct  
6 justice. Armstrong's first act of confrontation was filing the  
7 two petitions for permission to respond to the ORG's appeals in  
8 the Court of Appeal. The ORG filed an opposition to ARMSTRONG'  
9 petition in the B025920 appeal, but the Division Three Court had  
10 already granted the petition. The ORG filed an opposition in the  
11 B038975 appeal in Division Four, and Armstrong filed a Reply  
12 thereto March 23, 1990. Armstrong supported his reply with a  
13 declaration he executed March 15, 1990 in which he detailed the  
14 ORG's attacks on him, its threats and its settlement agreement  
15 violations known up to that time.

16 45. ARMSTRONG's March 15, 1990 declaration was filed on  
17 March 19, 1990 as an exhibit to a motion brought by Toby Plevin in  
18 the Corydon case for an order directing non-interference with  
19 witnesses. On March 27, 1990 the ORG filed an opposition to  
20 Corydon's motion, supported by declarations of Lawrence Heller  
21 dated March 27 and Kenneth Long dated March 26. Heller states in  
22 his declaration:

23 "The confidentiality provisions of the Armstrong  
24 Settlement Agreement are nor (sic) reciprocal in nature.  
25 Mr. Armstrong does have duties of confidentiality under  
26 the terms of the Armstrong settlement [ ]. However,  
27 there are no reciprocal duties of confidentiality under  
28 the terms of the Armstrong



1 Settlement Agreement that apply to any of the [ORG]  
2 parties in the settlement. [ ] An important part of the  
3 Armstrong settlement was that the [ORG] was not bound by  
4 the same confidentiality provisions as Armstrong and  
5 that the [Org] parties remain free to comment upon and  
6 use information pertaining to Mr. Armstrong's  
7 experiences in the [ORG]. At the time of the  
8 settlement, information from Mr. Armstrong was being  
9 used in a number of cases around the world. It was  
10 important to the [ORG] parties to the Armstrong  
11 settlement that they remain free to defend themselves  
12 against allegations supported by information originating  
13 from Armstrong prior to the settlement. I discussed  
14 this aspect of the confidentiality provisions the (sic)  
15 settlement agreement with Armstrong's counsel, Michael  
16 J. Flynn, during my settlement negotiations with him in  
17 1986 and it was clearly understood by both sides of the  
18 negotiations that the confidentiality provisions were  
19 not to be reciprocal. Any assertions now being made by  
20 Armstrong (sic) are false."

21 Heller also states in his opposition:

22 "[A]n important part of the Settlement Agreement  
23 revolved around the continuing ability of the [ORG] to refute  
24 the often bizarre allegations made by Mr. Armstrong. Thus,  
25 this issue was addressed during the settlement negotiations,  
26 with the result that no (emphasis in original) clause was  
27 included in the agreement preventing the Church from such  
28 action."



1 Heller's lies to ARMSTRONG, his lies in sworn declarations about  
2 the reciprocity of the settlement agreement, the trap ARMSTRONG  
3 had been placed in by the ORG and his own attorney, who, because  
4 of ORG Fair Game tactics, had deserted him while setting him up  
5 him to be a defenseless ORG punching bag caused ARMSTRONG great  
6 distress and grief.

7 46. In his March 27 1990, declaration and in the  
8 opposition Heller denied that the three telephone calls with  
9 ARMSTRONG occurred, denied offering to have the ORG pay for an  
10 attorney at ARMSTRONG's deposition in Corydon, denied offering to  
11 indemnify ARMSTRONG for sanctions which might be imposed by the  
12 court, and denied threatening ARMSTRONG with litigation. These  
13 denials are lies and caused ARMSTRONG fear and emotional upheaval.

14 47. In his March 26, 1990 declaration, Kenneth Long,  
15 the ORG staff member who had executed a number of the affidavits  
16 concerning ARMSTRONG which were filed in the Miller case, stated:

17 "In January, 1987, following settlement of Scientology  
18 (sic) of California ("CSC"), Armstrong turned over to  
19 CSC all [ORG]-related documents in his possession. I  
20 personally inspected the documents turned over by  
21 Armstrong, and found a number of copies of the documents  
22 which Armstrong had previously sworn that he had  
23 surrendered to the Clerk of the Court. [ ] Based on my  
24 discovery of these documents, I concluded that Armstrong  
25 had intentionally perjured himself on numerous  
26 occasions, and had as well knowingly violated orders  
27 issued by judges at all levels ranging from the Los  
28 Angeles Superior Court to the Supreme Court of the



1 United States."  
2 Long's statement is false, reckless and malicious and caused  
3 ARMSTRONG great distress. Long stated as well that his affidavits  
4 attacking ARMSTRONG in Miller were necessary "to detail the  
5 elements of the breach of confidence against Miller and Penguin,  
6 and the claim could not have been brought without explaining the  
7 underlying actions taken by Armstrong." The attacks on ARMSTRONG  
8 in Miller while his lawyer was used by the ORG to relay its threat  
9 of suit should he defend his reputation in that case, and the  
10 follow up attacks in Corydon were psychologically devastating to  
11 ARMSTRONG.

12 48. On March 21, 1990 ARMSTRONG spoke by phone with  
13 Michael Flynn, who said that he had been called by Lawrence Heller  
14 two or three weeks before. Flynn said that Heller told him that  
15 ARMSTRONG was right then sitting in the courtroom at the Yanny  
16 trial and he asked Flynn to call ARMSTRONG and tell him that if he  
17 testified in Yanny he would be in violation of the settlement  
18 agreement and would be sued. Flynn told ARMSTRONG that he told  
19 Heller no. ARMSTRONG had been present at the Yanny trial March 5,  
20 1990.

21 49. On April 4, 1990 ARMSTRONG was served with a  
22 subpoena duces tecum from ORG entities ASI and Bridge  
23 Publications, Inc. ordering the production at a deposition in  
24 Corydon on April 24 of any sound recordings or other records he  
25 possessed of his telephone conversations with Heller. At the  
26 deposition ARMSTRONG produced his notes from the October 23 and 25  
27 and November 20, 1989 conversations and a transcript of a  
28 recording of ARMSTRONG's side of the November 20 conversation.



1           50. In early April, 1990 ARMSTRONG received a call from  
2     ORG lawyer Eric Lieberman who suggested to ARMSTRONG that World  
3     War III would happen if he continued to speak out against the ORG  
4     in violation of the settlement agreement. ARMSTRONG related to  
5     Lieberman a list of the ORG's post-settlement attacks on ARMSTRONG  
6     in violation itself of the agreement. Lieberman dismissed  
7     ARMSTRONG's grievances as insignificant and old. Nevertheless,  
8     because Lieberman had said that World War III might depend on what  
9     ARMSTRONG did at that time, on April 9, 1990 he wrote to the ORG  
10    to initiate a dialogue and attempt to resolve the conflict. This  
11    and all ARMSTRONG's attempts at achieving peace with honor have  
12    been rejected or ignored by the ORG.

13           51. On July 8, 1988 the Internal Revenue Service issued  
14    a document entitled "final adverse ruling" to Cross-Defendant  
15    herein COST denying its application for tax exempt status. In that  
16    ruling the IRS states:

17            "In support of the protest (protest conference was held  
18            in January 1987) to our initial adverse ruling, we were  
19            supplied with copies of affidavits dated December 4,  
20            1986, from Gerald Armstrong and Laurel Sullivan. Ms.  
21            Sullivan was the person in charge of the MCCS project  
22            (the ORG's "Mission Corporate Category Sort-out," the  
23            purpose of which was to devise a new organizational  
24            structure to conceal L. Ron Hubbard's continued  
25            control). The affidavits state that the new church  
26            management 'seems to have returned to the basic and  
27            lawful policies and procedures as laid out by the  
28            founder of the religion, L. Ron Hubbard.' The



1 affidavits conclude as follows: 'Because of the  
2 foregoing, I no longer have any conflict with the Church  
3 of Scientology or individual members affiliated with the  
4 Church. Accordingly I have executed a mutual release  
5 agreement with the Church of Scientology and sign this  
6 affidavit in order to signify that I have no quarrel  
7 with the Church of Scientology or any of its members.'"

8 The ORG filed the ARMSTRONG affidavit in the COST case for the  
9 purpose of destroying his credibility. It filed the affidavit in  
10 express violation of the representation the ORG had Flynn make to  
11 ARMSTRONG that it would never be used unless ARMSTRONG attacked  
12 the ORG after settlement. The ORG has now, as a result of  
13 ARMSTRONG's claim that the affidavit is substantially false,  
14 publicly accused ARMSTRONG of perjury for the ORG's subornation.  
15 The betrayal that resulted in the ORG's filing of the affidavit,  
16 the use of the courts in such a cynical manner, and the terrifying  
17 campaign to destroy ARMSTRONG's reputation and sanity, which this  
18 affidavit now signifies, have left ARMSTRONG emotionally branded  
19 for life.

20 52. In August 1990 ARMSTRONG, acting out of faith that  
21 he was so guided, gave away all his assets, including his one  
22 hundred percent ownership of the outstanding shares of The Gerald  
23 Armstrong Corporation, and forgave all debts owed him. Thereafter  
24 he attempted to accept guidance as reason for doing what he did;  
25 that is what he was called to do. He has several areas of  
26 expertise and knowledge in which his help has been and may be  
27 called for. Because of his history, knowledge and willingness, he  
28 has been called on by various people to help them against ORG



1 tyranny or chicanery. It is his determination to promote justice  
2 and peace wherever he goes and in no matter what he is called upon  
3 to do.

4           53. In June 1991, while visiting relatives in Canada,  
5 ARMSTRONG received a call from Malcolm Nothling in South Africa  
6 asking for his help in the trial of a lawsuit Nothling had against  
7 the ORG in that country. From listening to Nothling ARMSTRONG  
8 evaluated that he could be helpful in the case, and felt compelled  
9 to help because Nothling had not been able to get anyone else in  
10 the world to help. ARMSTRONG then wrote Eric Lieberman on June  
11 21, 1991 in the hope of peacefully settling what ARMSTRONG had  
12 come to understand generally as the Scientology conflict, and the  
13 Nothling case specifically. Lieberman wrote back rejecting  
14 ARMSTRONG's attempt to resolve the conflict peacefully. The ORG  
15 is presently publicly accusing ARMSTRONG of fomenting litigation,  
16 hatred and ill-will toward the ORG with his June 21, 1991 letter  
17 to Lieberman. But it is the ORG which has fomented all its  
18 litigation, by its use of the courts to attack its perceived  
19 enemies, by continuing abuse of its employees and customers and by  
20 its repugnant policies such as Fair Game. In truth ARMSTRONG has  
21 consistently urged the ORG to end all its litigation, get out of  
22 the "litigation business", and solve its problems with its victims  
23 and "enemies" with honest efforts, open communication and decency.

24           54. In July, 1991 ARMSTRONG received a call asking for  
25 help from Joseph A. Yanny who had just become the attorney for  
26 Richard and Vicki Aznaran in the case of Aznaran v. CSC, et al.,  
27 in United States District Court, Central District of California,  
28 No. CV-88-1786-JMI(Ex), after the ORG had tricked the Aznarans



1 into firing their former attorney in the case, Ford Greene.  
2 ARMSTRONG travelled to Los Angeles, and assisted Yanny by writing  
3 two declarations for use in the Aznaran case, by providing  
4 understanding of the psychological battle the ORG waged against  
5 its victims and enemies, and by encouraging truth and honor.  
6 ARMSTRONG could stay only a few days in Los Angeles because he was  
7 scheduled to fly to South Africa to help Malcolm Nothling in his  
8 quest for justice. While en route to South Africa ARMSTRONG  
9 learned from Yanny that Yanny had been sued by the ORG in  
10 connection with his relationship with ARMSTRONG. While between  
11 planes in New York ARMSTRONG wrote a declaration detailing why he  
12 helped Yanny, his guided calling and what he did on the Aznaran  
13 case.

14 55. The ORG's lawsuit against Yanny, RTC, CSI and CSC  
15 v. Yanny, Los Angeles Superior Court No. BC 033035, charged Yanny,  
16 who had formerly been an ORG lawyer, with representing ARMSTRONG  
17 in litigation against the ORG. Although ARMSTRONG, who is a  
18 writer and artist, had consulted Yanny regarding literary and  
19 intellectual property matters, Yanny had never represented  
20 ARMSTRONG in any matter regarding the ORG and ARMSTRONG had never  
21 consulted with Yanny regarding his ORG-related legal problems.  
22 The ORG invented the charges against Yanny and ARMSTRONG in the  
23 Yanny case, pursuant to its policy of manufacturing threats  
24 against its perceived enemies. It used its manufactured charges  
25 to attack ARMSTRONG in Yanny, Aznaran and in the instant  
26 litigation, hereinafter Armstrong II. It used its manufactured  
27 charges to attack ARMSTRONG's Church and religion, and abuse him  
28 with foundationless depositions of himself, his lawyer Ford Greene



1 and his friend Lorien Phippeny in Yanny, designed to hurt  
2 ARMSTRONG financially, harass him and waste his time.

3 56. In August 1991 while in South Africa ARMSTRONG was  
4 informed by Stuart Cutler, Malcolm Nothling's lawyer that the ORG  
5 had provided ARMSTRONG's 1985 dream, which had been tricked from  
6 him by ORG operative Dan Sherman, to the ORG's South African legal  
7 representatives for use against ARMSTRONG in the Nothling  
8 litigation. This document had been specifically sealed in the  
9 Armstrong I case, and its dissemination in South Africa caused  
10 ARMSTRONG great embarrassment and emotional distress.

11 57. On August 12, 1991 the ORG filed a lawsuit against  
12 17 agents of the IRS, case no. 91-4301-SVW in United States  
13 District Court, Central District of California for more than  
14 \$120,000,000.00. The ORG used therein a false rendition of the  
15 1984 illegal videotaping of ARMSTRONG, which videotape had been  
16 sealed in the Armstrong I court file. The ORG stated in its  
17 complaint:

18 "The infiltration of the [ORG] was planned by the LA CID  
19 along with former [ORG] member Gerald Armstrong, who  
20 planned to seed [ORG] files with forged documents which  
21 the IRS could then seize in a raid. The CID actually  
22 planned to assist Armstrong in taking over the [ORG]  
23 hierarchy which would then turn over all [ORG] documents  
24 to the IRS for their investigation."

25 The ORG knew that these accusations were false, knew that  
26 ARMSTRONG knew they were false, knew that Judge Londer, presiding  
27 at the 1985 trial in the case of Julie Christofferson v.  
28 Scientology in Portland, Oregon, had ruled that the illegal



1 videotapes of ARMSTRONG, which the ORG first "broke" in that case  
2 to destroy ARMSTRONG's credibility, contrary to the ORG's  
3 accusations were "damaging to the [ORG]," and knew that the  
4 Christofferson jury, which awarded plaintiff \$39,000,000.00 in  
5 that case, when polled regarding the videotapes of ARMSTRONG  
6 stated that they proved, not that ARMSTRONG had done anything  
7 wrong but that Fair Game was alive and kicking in 1985. The ORG's  
8 continuing malicious and perverse use of the Armstrong Operation  
9 videotapes, in the face of immense official and public opinion  
10 that they simply demonstrate Fair Game, is a mad effort to pretend  
11 blindness to the truth and through the apparent blindness and  
12 recklessness to bring about ARMSTRONG's psychological  
13 disintegration.

14           58. Upon his return to the United States from South  
15 Africa Armstrong visited the law office of Ford Greene who asked  
16 for his help. Armstrong, who is a trained paralegal, and lived in  
17 the same Marin County town as Greene, agreed to help him, and has  
18 been working with him from that time until the present. The moment  
19 he began working in Greene's office the ORG began to terrorize him  
20 with constant surveillance by ORG intelligence operatives,  
21 illegally videotaped him, embarrassed him, caused disturbances in  
22 the neighborhood of Greene's law firm, and caused him to fear for  
23 his life. The ORG has a reputation of using its intelligence  
24 operatives or private investigators to assault its perceived  
25 enemies, frame them, entrap them, terrorize them, lie about them,  
26 and steal from them. ORG agents, including Hubbard's wife, Mary  
27 Jane Hubbard, have been convicted of crimes including burglary,  
28 theft, and obstruction of justice. Judge Breckenridge in



1 Armstrong I, had found that:

2 "Defendant Armstrong was the subject of harassment,  
3 including being followed and surveilled by individuals  
4 who admitted employment by [the ORG]; being assaulted by  
5 one of these individuals; being struck bodily by a car  
6 driven by one of these individuals; having two attempts  
7 made by said individuals apparently to involve Defendant  
8 Armstrong in a freeway automobile accident; having said  
9 individuals come onto Defendant Armstrong's property,  
10 spy in his windows, create disturbances, and upset his  
11 neighbors."

12 The August 1991 terrorizing of ARMSTRONG by ORG operatives was  
13 intended to and caused ARMSTRONG unbelievable shock and emotional  
14 distress.

15 59. ARMSTRONG called and wrote to ORG lawyer Eric  
16 Lieberman on August 21 and 22, 1991 protesting the surveillance,  
17 videotaping and ORG terror tactics. Lieberman never responded,  
18 but the ORG responded with renewed attacks on ARMSTRONG, filing  
19 perjurious declarations about him in the Aznaran case accusing him  
20 of, inter alia, being in Greene's office (during the period when  
21 he had been in South Africa), of being employed by Joseph Yanny  
22 while working for Greene, and of being Yanny's extension in the  
23 Aznaran case. The ORG used these lies in a series of attempts to  
24 have the Aznaran case dismissed, and in further attempts to  
25 destroy ARMSTRONG's credibility and his capacity to defend himself  
26 from the ORG's attacks. The ORG also filed perjurious  
27 declarations in Aznaran concerning the illegal 1984 Armstrong  
28 operation, claiming, inter alia, that the operation was a police-



1 sanctioned investigation, that ARMSTRONG was plotting against the  
2 ORG and seeking out staff members who would be willing to assist  
3 him in overthrowing its leadership, and that ARMSTRONG's theory of  
4 litigation against the ORG was to fabricate the facts. These lies  
5 were used in a series of attempts to deny the Aznarans justice and  
6 to attack ARMSTRONG's credibility and leave him defenseless before  
7 the ORG's assault. The ORG moreover used in these attempts  
8 transcripts of the illegal 1984 videotaping of ARMSTRONG which had  
9 been sealed in the Armstrong I court file. The ORG knew its lies  
10 filed in the Aznaran case regarding ARMSTRONG were lies, knew if  
11 was using sealed documents to attack ARMSTRONG, knew that such  
12 caused ARMSTRONG great emotional distress, and knew that its acts  
13 in Armstrong I had caused him emotional distress for which it had  
14 paid ARMSTRONG a significant sum of money. The ORG's statements  
15 filed in Aznaran regarding ARMSTRONG were malicious and an abuse  
16 process. ARMSTRONG filed a declaration in Aznaran dated September  
17 3, 1991 detailing the lies the ORG had up to that time filed about  
18 him in that case and stating the truth of the matters. On June  
19 22, 1992, Judge Ideman, presiding in the Aznaran case denied all  
20 the ORG's motions in which it had filed its attacks on ARMSTRONG.

21 60. On October 3, 1991 the ORG, using CSC, CSI and RTC  
22 as Plaintiffs, filed a motion in Los Angeles Superior Court in the  
23 Armstrong I case to enforce the settlement agreement in which it  
24 charged that ARMSTRONG's declaration in Aznaran which rebutted the  
25 ORG's lies filed about him in that case was a violation of the  
26 settlement agreement. That motion, in which the ORG sought from  
27 ARMSTRONG \$100,000.00 in damages for his responses to ORG attacks,  
28 was denied on December 23, 1991 by Judge Geernaert, who stated



1 during the hearing of that date:

2 " So my belief is Judge Breckenridge, being a very  
3 careful judge, follows about the same practice and if he  
4 had been presented that whole agreement and if he had  
5 been asked to order its performance, he would have dug  
6 his feet in because that is one of the [ ] most  
7 ambiguous, one-sided agreements I have ever read. And I  
8 would not have ordered the enforcement of hardly any of  
9 the terms had I been asked to, even on the threat that,  
10 okay the case is not settled.

11 I know we like to settle cases. But we don't want to  
12 settle cases and, in effect, prostrate the court system  
13 into making an order which is not fair or in the public  
14 interest."

15 61. Heedless of Judge Geernaert's comments the ORG on  
16 February 4, 1992 filed the underlying lawsuit, hereinafter  
17 Armstrong II, this time seeking \$1,700,000.00 in damages. On  
18 March 26, 1992 the ORG sought to have ARMSTRONG held in contempt  
19 of court for communicating to the media about the litigation after  
20 the ORG had itself given an interview to the media and in response  
21 to the ORG's public comments about him. Judge Dufficy of the  
22 Marin Superior Court, then presiding over the Armstrong II  
23 litigation, refused to hear the ORG's effort to have ARMSTRONG  
24 found in contempt. The effort, however, demonstrates the ORG's  
25 intention: create a scenario in which ARMSTRONG responds to ORG  
26 attacks and then have him jailed for his response. Then, pursuant  
27 to ORG policy, destroy him utterly.

28 62. On February 19, 1992 Ford Greene, ARMSTRONG's



1 attorney in Armstrong II, wrote ORG attorney Laurie Bartilson  
2 requesting that ARMSTRONG's former attorneys in Armstrong I,  
3 Michael Flynn, Julia Dragojevic and Bruce Bunch, each of whom were  
4 specifically prohibited by contract with the ORG from giving  
5 ARMSTRONG a declaration to assist him in his defense of the ORG's  
6 lawsuit to enforce the settlement agreement, be released from that  
7 prohibition so they could provide him with needed declarations.  
8 The ORG refused. On February 24, 1992 Greene wrote Bartilson  
9 requesting that the other individuals who had entered into  
10 settlement agreements with the ORG, negotiated by the ORG with  
11 Flynn in 1986, and who were specifically prohibited from providing  
12 ARMSTRONG with a declaration to assist him in his defense of the  
13 ORG's lawsuit to enforce the settlement agreement, be released  
14 from that prohibition so they could provide him with needed  
15 declarations. Even though the ORG had used the fact of the other  
16 individuals' settlement agreements being substantially similar to  
17 the ARMSTRONG agreement, and cited to and relied on cases  
18 involving those individuals' settlements in its lawsuit against  
19 ARMSTRONG, the ORG refused to release them from their contract not  
20 to assist ARMSTRONG. Instead of acting professionally, decently  
21 and humanely, ORG lawyer Bartilson's response was an ad hominem  
22 attack on Greene, ARMSTRONG's lawyer. The unfairness of this act  
23 of Fair Game caused ARMSTRONG a great despondency.

24 63. On May 27, 1992 at a hearing on a motion the ORG  
25 brought to obtain a preliminary injunction in this case, Los  
26 Angeles Superior Court Judge Sohigian stated:

27 "The information that's being suppressed in this case,  
28 however, is information about extremely blameworthy



1 behavior of the [ORG] which nobody owns; it is  
2 information having to do with the behavior of a high  
3 degree of offensiveness and behavior which is tortious  
4 in the extreme. It involved abusing people who are weak.  
5 It involves taking advantageous of people who for one  
6 reason or another get themselves enmeshed in this  
7 extremist view in a way that makes them unable to resist  
8 it apparently. There appears to be in the history of  
9 [the ORG's] behavior a very, very substantial deviation  
10 between [the ORG's] conduct and standards of ordinary,  
11 courteous conduct and standards of ordinary honest  
12 behavior. They're just way off in a different  
13 firmament. [The ORG's] is the kind of behavior which  
14 makes you sort of be sure you cut the deck and be sure  
15 you've counted all the cards. If you're having a  
16 friendly poker game you'd make sure to count all the  
17 chips before you dealt any cards."

18 Despite this scathing indictment of the ORG and its practices, and  
19 despite the ORG's knowledge of similar rulings and judgments in  
20 Armstrong I, the case of Wollersheim v. Scientology, the case of  
21 Allard v. Scientology, the case in England Re B & G Wards, the  
22 cases of US v. Hubbard and US v. Kember, and of the blistering  
23 articles in the Los Angeles Times in 1990 and Time magazine in  
24 1991, the ORG has not changed one of its spots, but continues to  
25 attack ARMSTRONG and its other perceived enemies pursuant to its  
26 basic doctrine of Fair Game. The ORG's refusal to change its  
27 suppressive and vicious posture toward ARMSTRONG in the face of  
28 the massive evidence of its socially repugnant nature is to



1 ARMSTRONG terrifying and immobilizing. Judge Sohigian denied the  
2 ORG's motion to enforce the settlement agreement in every aspect  
3 except for his right to provide testimony in anti-ORG litigation  
4 without being first subpoenaed to provide such testimony. The  
5 Sohigian ruling left ARMSTRONG free to speak and write freely  
6 about the ORG, to provide information to government agencies  
7 without the need for a subpoena and to continue to work as a  
8 paralegal.

9           64. Nevertheless, the ORG has over the past several  
10 months and continuing after the Sohigian ruling to the present,  
11 mounted a campaign to have ARMSTRONG removed from Greene's office,  
12 thus denying him a job and the means of defending himself against  
13 ORG attacks. ORG lawyers have made threats against him and have  
14 attempted to inveigle him into performing actions they could then  
15 use to attack him and achieve their goal of his removal from the  
16 Greene firm.

17           65. Within the past week ORG private investigator  
18 Eugene Ingram harassed ARMSTRONG's friend Lorien Phippeny at her  
19 home. The ORG knows that Ingram is a bully and dishonest, yet  
20 sent him to intimidate and upset Phippeny as part of its campaign  
21 of Fair Game against ARMSTRONG.

22           66. Within the past few months ARMSTRONG has learned  
23 that MISCAVIGE possessed ARMSTRONG's original artwork and  
24 manuscript after they were stolen from ARMSTRONG's car in 1984.  
25 MISCAVIGE told Vicki Aznaran that he had ARMSTRONG's artwork and  
26 manuscript, and he described ARMSTRONG's works as weird poetry and  
27 letters to Hubbard. ORG lawyer John Peterson in 1984, in response  
28 to ARMSTRONG's demand at that time for return of his works denied



1 that the ORG possessed them. Now ARMSTRONG has the proof and he  
2 demands these works' return.

3 67. The ORG has, for over a decade, waged a campaign of  
4 hatred and psychological violence against ARMSTRONG. This  
5 campaign has been observed and condemned by courts and the media.  
6 The ORG has used ARMSTRONG as a villain to keep its members  
7 marching to its hateful tune, spreading lies about him to ORG  
8 employees and customers internationally. In 1986 as an act of  
9 calculating Fair Game it used ARMSTRONG's lawyer, himself a long  
10 time target of Fair Game, to manipulate him into a settlement of  
11 his claims against the ORG which was intended to leave him lawyer-  
12 less and defenseless so that the ORG's Fair Game efforts against  
13 him could continue unopposed. In consummate cynicism the ORG  
14 claims its purpose in the settlement was to make peace. The ORG's  
15 acts against ARMSTRONG have affected every aspect of his life,  
16 taken from him the peace and seclusion he sought and threatened  
17 his health, livelihood, friendships and his very existence. These  
18 acts must stop.

19 FIRST CAUSE OF ACTION

20 (For Declaratory Relief Against All Defendants)

21 68. Cross-complainant ARMSTRONG realleges paragraphs 1  
22 through 67, inclusive, and incorporates them by reference herein  
23 as though fully set forth.

24 69. An actual controversy has arisen and now exists between  
25 ARMSTRONG and CSI concerning their respective rights and duties in  
26 that ARMSTRONG contends that the only provisions of the settlement  
27 agreement that have any legal force any effect were those whereby  
28 he dismissed his cross-complaint in Armstrong I in consideration



1 for a sum of money, and that paragraphs 4A, 4B, 7D, 7E, 7G, 7H,  
2 7I, 10, 18D, 18E of the settlement agreement are void as against  
3 public policy and should be severed therefrom, and that CSI and  
4 its agents are not entitled to breach the settlement agreement  
5 while requiring ARMSTRONG to adhere thereto, whereas CSI disputes  
6 this contention and contends that it is entitled to enforce all  
7 provisions of the settlement agreement against ARMSTRONG  
8 notwithstanding the lack of mutuality thereof.

9 70. ARMSTRONG desires a judicial determination of his rights  
10 and duties, and a declaration that the only provisions of the  
11 settlement agreement which are valid are those which directly  
12 pertain to the dismissal of his cross-complaint in Armstrong I in  
13 consideration for the payment of a sum of money, and that  
14 paragraphs 4A, 4B, 7D, 7E, 7G, 7H, 7I, 10, 18D, 18E of the  
15 settlement agreement should be severed and held not to be legally  
16 enforceable because they were designed to suppress evidence and  
17 obstruct justice.

18 71. A judicial declaration is necessary and appropriate at  
19 this time under the circumstances in order that ARMSTRONG may  
20 ascertain his rights and duties under the settlement agreement.

21 72. ARMSTRONG is being harmed by the settlement agreement  
22 insofar as his First Amendment Rights are curtailed, his ability  
23 to freely pursue gainful employment is restricted, and his  
24 reputation is being attacked in judicial proceedings which he is  
25 unable to counter without risking violation of the settlement  
26 agreement.

27 WHEREFORE, cross-complainant seeks relief as is hereinafter  
28 pleaded.



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1 legal result of the use of such legal process.

2 WHEREFORE, cross-complainant seeks relief as is hereinafter  
3 pleaded.

4 THIRD CAUSE OF ACTION

5 (Breach of Contract)

6 79. Cross-complainant ARMSTRONG realleges paragraphs 1  
7 through 67, inclusive, and incorporates them by reference herein  
8 as though fully set forth.

9 80. CSI, and/or its agents, and/or other Scientology-related  
10 entities having engaged in on-going breaches of said settlement  
11 agreement by making reference to ARMSTRONG (a) in communications  
12 to the press, (b) in filing pleadings and declarations in various  
13 litigations.

14 81. By reason of said breaches of the settlement agreement,  
15 ARMSTRONG has been damaged in an amount not presently known but  
16 believed to be in excess of the jurisdiction minimum of this  
17 Court.

18 WHEREFORE, plaintiff prays for judgment as follows:

19 ON THE FIRST CAUSE OF ACTION

20 1. For a declaration paragraphs 4A, 4B, 7D, 7E, 7G, 7H, 7I,  
21 10, 18D, 18E of the settlement agreement should be severed from  
22 the settlement agreement and found to be of no legal force or  
23 effect.

24 2. For damages according to proof.

25 3. For attorney's fees and costs of suit.

26 ON THE SECOND CAUSE OF ACTION

27 1. For general and compensatory damages according to proof.

28 2. For punitive damages according to proof.



1           3.     For attorney's fees and costs of suit.

2                               ON THE THIRD CAUSE OF ACTION

3           1.     For compensatory and consequential damages according to  
4 proof.

5           2.     For attorney's fees and costs of suit.

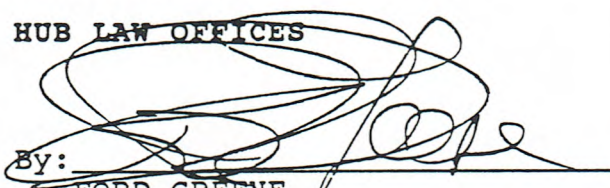
6                               ON ALL CAUSES OF ACTION

7           1.     For such other and further relief as the Court may deem  
8 just and proper.

9  
10       DATED:     July 21, 1992

Respectfully submitted,

HUB LAW OFFICES

11  
12                               BY:   
13                               FORD GREENE  
14                               Attorney for Defendant

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VERIFICATION

I, the undersigned, am one of the defendants in the above entitled action. I know the contents of the foregoing Cross-complaint for declaratory relief, abuse of process and breach of contract. I certify that the same is true of my own knowledge, except as to the matters which are therein stated upon my information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct according to the laws of the State of California and that this declaration was executed on this 21st day of July at San Anselmo, California.

By: 

GERALD ARMSTRONG



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**EXHIBIT L**



HUB LAW OFFICES  
Ford Greene, Esquire  
California State Bar No. 107601  
711 Sir Francis Drake Boulevard  
San Anselmo, California 94960-1949  
Telephone: (415) 258-0360

PAUL MORANTZ, ESQ.  
P.O. Box 511  
Pacific Palisades, CA 90272  
(213) 459-4745

Attorneys for Defendant  
GERALD ARMSTRONG

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
IN AND FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY	)	No. BC 052395
INTERNATIONAL, a California	)	
not-for-profit religious	)	
corporation;	)	NOTICE OF APPEAL
	)	[C.C.P. § 904.1]
Plaintiffs,	)	
vs.	)	
GERALD ARMSTRONG; DOES 1	)	
through 25, inclusive,	)	
Defendants.	)	

TO: ALL INTERESTED PARTIES AND TO THEIR ATTORNEYS OF RECORD.

PLEASE TAKE NOTICE that Defendant and Appellant Gerald Armstrong hereby appeals to the Court of Appeal of the State of California, Second Appellate District, from the grant Preliminary Injunction entered on May 28, 1992, in Department 88 of the above-entitled court.

///

COPY

1 Notice of Entry of Judgment was served by Defendant and  
2 Respoondent of June 5, 1992.

3 DATED: July 23, 1992

HUB LAW OFFICES

By: 

FORD GREENE

Attorney for Defendant and  
Appellant  
GERALD ARMSTRONG

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Andrew H. Wilson  
WILSON, RYAN & CAMPILONGO  
235 Montgomery Street, Suite 450  
San Francisco, California 94104

Graham E. Berry, Esquire  
LEWIS, D'AMATO, BRISBOIS & BISGAARD  
221 North Figueroa Street. Suite 1200  
Los Angeles, California 90012

LAURIE J. BARTILSON, ESQ.  
Bowles & Moxon  
6255 Sunset Boulevard, Suite 2000  
Los Angeles, California 90028

[X] (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

992







SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT NO. 30

HON. DAVID A. HOROWITZ, JUDGE

CHURCH OF SCIENTOLOGY, ETC.,

PLAINTIFF,

VS

GERALD ARMSTRONG, ET AL.,

DEFENDANT.

NO. BC052395

REPORTER'S TRANSCRIPT OF PROCEEDINGS  
FRIDAY, FEBRUARY 19, 1993

APPEARANCES:

FOR PLAINTIFF:

BOWLES AND MOXON  
BY: LAURIE J. BARTILSON, ESQ.  
6255 SUNSET BOULEVARD  
SUITE 2000  
HOLLYWOOD, CALIFORNIA 90028

FOR DEFENDANT:

HUB LAW OFFICES  
BY: FORD GREENE, ESQ.  
711 SIR FRANCIS DRAKE BOULEVARD  
SAN ANSELMO, CALIFORNIA 94960

B. CHARLINE HOWELL, CSR NO. 1296  
OFFICIAL REPORTER

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1 LOS ANGELES, CALIFORNIA; FRIDAY, FEBRUARY 19, 1993  
2 9:40 A.M.

3 DEPARTMENT NO. 30 HON. DAVID A. HOROWITZ, JUDGE  
4 APPEARANCES: SEE TITLE PAGE  
5

6 THE COURT: CHURCH OF SCIENTOLOGY VS ARMSTRONG.  
7 MS. BARTILSON: LAURIE BARTILSON FOR PLAINTIFF,  
8 CHURCH OF SCIENTOLOGY.

9 MR. GREENE: FORD GREENE FOR DEFENDANT GERALD  
10 ARMSTRONG AND THE CORPORATION.

11 THE COURT: DO YOU WISH TO BE HEARD?

12 MR. GREENE: YOUR HONOR, I WAS UNABLE TO TELL  
13 FROM YOUR TENTATIVE RULING WHETHER OR NOT THE BASIS OF  
14 YOUR DECISION WAS PREDICATED ON A TECHNICAL READING OF  
15 THE STATUTE, ON THE ALLEGED STIPULATION, OR ON BOTH.

16 AND I WOULD REQUEST IF I COULD GET SOME  
17 ILLUMINATION FROM THE COURT WHETHER IT WAS BOTH OR ONE  
18 OR THE OTHER AND I COULD THEN MAKE MY ARGUMENT MORE  
19 DIRECTLY AND PRECISELY.

20 THE COURT: BASICALLY, THE DEPOSITION WAS NOT  
21 COMPLETED IN THAT 30 DAY PERIOD OF CORRECTION. ALL OF  
22 THAT WAS NOT DONE UNTIL DECEMBER 7 SO --

23 MR. GREENE: SO --

24 THE COURT: IT IS WITHIN 60 DAYS.

25 MR. GREENE: OKAY.

26 SO THE ISSUE IS, AS I READ THE STATUTE, IS  
27 WHEN IS THE DEPOSITION TRANSCRIPT IS COMPLETED WITHIN  
28 THE MEANING OF 2015(O).



1                   1                   AND READING THAT SECTION OF 2025, WITH THE  
2                   OTHER PROVISIONS OF 2025, I WOULD SUBMIT TO THE COURT  
3                   THAT THE TRANSCRIPT IS COMPLETED WHEN THE COURT REPORTER  
4                   EXECUTES THE CERTIFICATE THAT IS APPENDED TO THE END OF  
5                   IT. AND THAT THE MATTER OF THE DEPONENT MAKING  
6                   CORRECTIONS IS SEPARATE AND DISTINCT.

7                   I WOULD POINT THE COURT'S ATTENTION TO  
8                   SECTION 2025(F). THAT SAYS THE STENOGRAPHIC TRANSCRIPT  
9                   IS THE OFFICIAL RECORD OF THAT TESTIMONY FOR ANY  
10                  HEARING, 2025(Q), WHERE THAT PROVISION REQUIRES THAT THE  
11                  DEPOSITION OFFICER SEND WRITTEN NOTICE WHEN THE ORIGINAL  
12                  TRANSCRIPT OF THE TESTIMONY IS AVAILABLE FOR READING,  
13                  CORRECTING, AND SIGNING.

14                  2025(R), WHICH REQUIRES THE DEPOSITION  
15                  OFFICER TO CERTIFY THE DEPONENT WAS SWORN, THE  
16                  TRANSCRIPT WAS A TRUE, COMPLETE, AND ACCURATE RECORD OF  
17                  THE TESTIMONY TAKEN.

18                  LOOKING AT THOSE PROVISIONS, IT WOULD  
19                  APPEAR THAT THE COMPLETION OF THE TRANSCRIPT DOES NOT  
20                  HAVE TO DO WITH WHEN THE COURT REPORTER -- OR DOES NOT  
21                  HAVE TO DO WITH WHEN THE DEPONENT CORRECTS THE  
22                  TRANSCRIPT, BUT HAS TO DO WITH WHEN THE COURT REPORTER  
23                  COMPLETES THE TRANSCRIPT AND SIGNS THE CERTIFICATE.

24                  AND IN THIS CASE, BASED ON THAT ANALYSIS,  
25                  THE MOTION IS NOT TIMELY.

26                  IF, AS INDICATED BY THE TENTATIVE RULING --  
27                  BEFORE I SAY THAT, LET ME ALSO SAY THAT IN THE STATUTE  
28                  THERE IS ALSO SPECIFIC LANGUAGE THAT TALKS ABOUT THE



1 CORRECTIONS TO THE TRANSCRIPT. AND 2025(O) DOES NOT SAY  
2 THAT THE 60 DAYS STARTS TO RUN AT THE POINT WHEN THE  
3 ORIGINAL TRANSCRIPT IS CORRECTED.

4 IT STATES THAT THE 60 DAYS STARTS TO RUN  
5 WHEN THE TRANSCRIPT IS COMPLETE. SO BASED ON THE FACT  
6 THAT THERE ARE DISTINCT AND SEPARATE PHRASES OF LANGUAGE  
7 THAT ARE USED TO REFER TO DIFFERENT FUNCTIONS OF 2025, I  
8 THINK THE CORRECT READING OF THE STATUTE IS THAT THE 60  
9 DAYS STARTS TO RUN AT THE TIME WHEN THE COURT REPORTER  
10 COMPLETES THE TRANSCRIPTION. AND AS INDICATED BY THE  
11 COURT REPORTER'S CERTIFICATE I BELIEVE THAT IS WHY THERE  
12 IS THE CERTIFICATE APPENDED TO THE END OF EACH AND EVERY  
13 DEPOSITION.

14 IF I AM WRONG, THE CONSEQUENCES ARE  
15 TREMENDOUS. AND I BELIEVE THAT MY READING OF THE  
16 STATUTE IS REASONABLE AND SUPPORTED BY THE LANGUAGE IN  
17 IT.

18 IF THAT IS INCORRECT, I BELIEVE THAT IT IS  
19 A REASONABLE MISTAKE, AND I WOULD SEEK LEAVE OF THE  
20 COURT TO FILE MOTION FOR RELIEF PURSUANT TO CODE OF  
21 CIVIL PROCEDURE 473, IN ORDER TO ADDRESS THAT.

22 AND THE REASON BEING IS THERE ARE IMPORTANT  
23 MATTERS OF PRIVILEGE WHICH APPLY TO NOT ONLY MR.  
24 ARMSTRONG, BUT TO OTHER INDIVIDUALS, AS WELL. AND IF MY  
25 READING IS RIGHT, I BELIEVE OUR POSITION IS WELL TAKEN.

26 WITH THAT, I SUBMIT IT TO THE COURT AND  
27 REQUEST NOW IF THE COURT UPHOLDS THE TENTATIVE RULING,  
28 TO ALLOW US TO SET A 473 MOTION ON AN EXPEDITED BASIS SO



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AS TO ADDRESS THE RESULTS.

MS. BARTILSON: BRIEFLY, YOUR HONOR, I THINK MR. GREENE IS A BIT MISTAKEN IN HIS INTERPRETATION OF 2025.

2025 SUB (O) DOES NOT TALK ABOUT THE TRANSCRIPTS BEING COMPLETED, TALKS ABOUT THE RECORD OF THE DEPOSITION BEING COMPLETED.

AND THE RECORD OF DEPOSITION IS NOT COMPLETED UNTIL AS PROVIDED IN 2025(Q) AND STIPULATION OF COUNSEL IN THIS CASE, THE DEPOSITION HAS GONE TO THE DEPONENT TO READ AND CORRECT.

THE STATUTE CLEARLY PROVIDED FOR THAT IN 2025(Q) IS 30 DAYS. AND THAT IS ALSO WHAT MR. GREENE HAS SAID IN DEPOSITION. I THINK IN THIS CASE IT IS TOO LITTLE TOO LATE.

AS FOR THE REQUEST FOR RELIEF, THE MOTION HAS BEEN ON FILE FOR FIVE WEEKS, YOUR HONOR. WE DIDN'T JUST GIVE HIM 15 DAYS NOTICE ON IT. THERE WAS ABSOLUTELY NO REASON WHY MR. GREENE COULD NOT HAVE INCLUDED IN THE OPPOSITION MORE THAN JUST THE TECHNICAL ARGUMENT IT WAS UNTIMELY, IF HE HAD OTHER OPPOSITION TO BRING AS TO PRIVILEGES OR ANYTHING ELSE.

IT IS JUST MORE DELAY. AND FRANKLY, WE ARE COMING IN TIGHT ON CUTOFF, WE HAVE TO FILE MOTION FOR SUMMARY JUDGMENT, AND I NEED THIS DISCOVERY AND I NEED IT PROMPTLY. I DON'T NEED IT IN ANOTHER 30 DAYS OR 40 DAYS, OR 50 DAYS, WHILE HE TAKES THE TIME TO FILE ANOTHER MOTION.

SO I STRONGLY OPPOSE EFFORTS TO FILE A



2 1 SECOND OPPOSITION, ESSENTIALLY WHEN HE HAD PLENTY TIME  
2 TO DO ONE HERE AND DIDN'T DO IT.

3 THE COURT: OKAY.

4 MR. GREENE: IN BRIEF RESPONSE TO THAT, ONE, I AM  
5 NOT ASKING FOR ANY 30 -- 40 DAYS AND WHAT EVER KIND OF  
6 TIME BASIS THE COURT WOULD DEEM APPROPRIATE.

7 HOWEVER, EXPEDITED IS WHAT I WOULD REQUEST.

8 THE COURT: ALL RIGHT.

9 THE MOTION TO COMPEL ANSWERS TO DEPOSITION  
10 IS GRANTED. WITHIN 20 DAYS. THERE WON'T BE ANY  
11 SANCTIONS. MOTION IS TIMELY MADE.

12 THE REQUEST TO HAVE MOTION TO RECONSIDER AS  
13 FAR AS THE SUBSTANCE OF THE OBJECTIONS TO THE QUESTIONS  
14 ARE CONCERNED, THAT IS DENIED.

15 COUNSEL OBVIOUSLY MADE A DELIBERATE  
16 DETERMINATION NOT TO RESPOND TO THE SUBSTANCE OF THE  
17 MOTION, BUT RATHER RESPONDED TECHNICALLY AS TO WHETHER  
18 IT WAS TIMELY OR NOT.

19 NO REASON I COULD SEE TO ALLOW FURTHER  
20 BRIEFING AS TO THE SUBSTANCE.

21 SO THE MOTION TO COMPEL IS GRANTED. 20  
22 DAYS. THERE WON'T BE ANY SANCTIONS. AND THAT WILL BE  
23 THE ORDER.

24 MR. GREENE: I WOULD ADD, YOUR HONOR, JUST FOR  
25 THE RECORD, IS THAT THERE ARE SUBSTANTIAL MATTERS OF  
26 PRIVILEGE WHICH APPLIED TO OTHER PEOPLE IN ADDITION TO  
27 MR. ARMSTRONG.

28 THE COURT: WELL, YOU SHOULD HAVE --

2 1 MS. BARTILSON: HE SHOULD HAVE RAISED THEM.

2 THE COURT: -- RAISED THEM.

3 THE CLERK: NOTICE?

4 MS. BARTILSON: NOTICE WAIVED.

5 MR. GREENE: NOTICE IS WAIVED.

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FOR THE COUNTY OF LOS ANGELES

HON. DAVID A. HOROWITZ, JUDGE

PLAINTIFF,

VS

DEFENDANT.

NO. BC052395

SS

COUNTY OF LOS ANGELES

I, B. CHARLINE HOWELL, OFFICIAL REPORTER OF THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF LOS ANGELES, DO HEREBY CERTIFY THAT THE FOREGOING PAGES 1 THROUGH 6 COMPRISE A FULL, TRUE AND CORRECT TRANSCRIPT OF THE PROCEEDINGS HELD IN THE ABOVE-ENTITLED MATTER ON FEBRUARY 19, 1993.

DATED THIS 22ND DAY OF FEBRUARY, 1993.

B. Charline Howell

CSR NO. 1296

OFFICIAL REPORTER





DECLARATION OF GERALD ARMSTRONG

I, Gerald Armstrong, declare

1. I am making this declaration to respond to the application (App.) of the Church of Scientology International, hereinafter referred to, along with the rest of Scientology's command and control structure, as "the organization," for an order to show cause why I should not be held in contempt of court, and to the declaration of Laurie J. Bartilson (LJB Dec.) dated December 31, 1992 on which said application is based.

2. Judge Breckenridge stated in his decision filed June 22, 1984, in the case of Scientology v. Armstrong, Los Angeles Superior Court No. C 420153, hereinafter referred to as Armstrong I, affirmed on appeal in Scientology v. Armstrong (1991) 232 Cal. App. 3d 1060, 283 Cal. Rptr. 917, that:

"[i]n addition to violating and abusing its own members civil rights, the organization over the years with its "Fair Game" doctrine has harassed and abused those persons not in the [organization] whom it perceives as enemies. The organization clearly is schizophrenic and paranoid..."

Ms. Bartilson is a member of the Scientology organization.

3. Ms. Bartilson states that on June 24, 1992 during a deposition in this litigation I asserted that I would never comply with the order of the Honorable Ronald M. Sohigian dated May 28, 1992, hereinafter referred to as the "Sohigian ruling,"

which denied in part and granted in part the organization's motion for a preliminary injunction brought to enforce the December 1986 "Mutual Release of All Claims and Settlement Agreement," hereinafter referred to as the "settlement agreement." (App. p. 3, l. 3; LJB Dec. p. 2, para. 4) When I state at page 124 of the June 24 deposition transcript that I have "absolutely no intention of honoring that settlement agreement," I mean exactly that. I do not mean the Sohigian ruling and Ms. Bartilson is something indiscernibly different from dishonest to so state in her sworn statements. The settlement agreement cannot be enforced, it is impossible for me to honor it, and Judge Sohigian refused to enforce it.

4. Ms. Bartilson states that on October 7, 1992, during a deposition in this case, I confirmed that I indicated to Los Angeles Times reporter Robert Welkos my intention not to comply with the Sohigian ruling. (App. p.4, n.4) Ms. Bartilson also states that my testimony from that deposition, which she quotes in her declaration, is an acknowledgement by me of my intention to wilfully disobey the terms of the Sohigian ruling. (LJB Dec. p.4, para. 5) There is not one word in my deposition testimony she has quoted, nor anywhere else, that would indicate to anyone with eyes to see, an intention by me to disobey the Sohigian ruling. My statement concerning the injunction, which Ms. Bartilson has quoted but woefully misinterpreted means only this: the organization moved the LA Superior Court for an order to enjoin me from doing anything not permitted by any or all of the



conditions and prohibitions of the settlement agreement; the Sohigian ruling enjoins me from doing certain things, but specifically denies the organization's motion as to all the agreement's conditions and prohibitions except said certain things. The organization did not appeal that ruling; therefore I am free from the potential of an order which could have enjoined me from doing those things which are prohibited by the language of the settlement agreement but not prohibited by the much narrower Sohigian ruling.

5. Ms. Bartilson states that I have threatened in my letter of December 22, 1992 that if I am not paid \$500,000 and this lawsuit dismissed I intend to travel to South Africa to testify against a church of Scientology. (App. p.4, l. 12; LJB Dec. p. 8, para. 15, 16) My letter contains no such threat, nor any threat, other than the affirmation, which should not be perceived as threatening, that I will not be intimidated by the organization's threats into not living my life and not helping its victims. Ms. Bartilson should rejoice at that fact because there very easily may come a time when she will perceive herself, having been forced by her organization's leader to commit so much perjury and attack so many innocent people of good will in violation of all the ethical standards expected by our society of officers of the court, as a victim, and will herself look for understanding and help from people her organization has not been able to intimidate. Only the resolution of the Malcolm Nothing litigation will keep me from travelling to South Africa to



testify at his trial. I have already been subpoenaed to testify at that trial and I have promised Mr. Nothling that I will appear to testify. The \$500,000 is not for me but is my estimate of what my fees and costs are to date in the instant case. Pursuant to the settlement agreement, the prevailing party in any effort to enforce the agreement is entitled to the costs of suit and reasonable attorney's fees. I have already prevailed in this case, in that by the unappealed Sohigian ruling I have been freed from all the prohibitions of the settlement agreement, except the narrow restriction of my right to provide testimony to claimants or intended claimants against the organization unless pursuant to subpoena. The \$500,000 is unrelated to the Nothling litigation, but is what I considered was required in order to peacefully and rationally end the Armstrong litigation without a trial and without a significant human catastrophe. The organization has, however, rejected my offer to settle this and any other cases, so my offer and the whole December 22 letter did not directly or indirectly assist anyone, thus cannot logically be considered a violation of the Sohigian ruling. I am not displeased to not have this case or the Nothling case dismissed because they will run the course most useful to God, and that may well include the catharsis of public trials.

6. Ms. Bartilson states that I intend to voluntarily assist anyone and everyone opposing Churches I can locate. (App. p. 4, l. 16; LJB Dec. p. 8, para. 16) This is silly. I don't oppose churches, and I don't know anyone who opposes churches.



In fact, in 1966 I founded a church, which, having expanded its membership more than thirty times in less than seven years, is one of the world's fastest growing, a fact which probably explains why the organization opposes it so religiously, since it claims and desires to be the world's fastest growing church. L. Ron Hubbard, whom I knew, opposed churches and opposed religion itself, and his organization, reflecting his schizophrenia and paranoia, opposes churches and religion, but Mr. Hubbard has disappeared and I am not attempting to locate him. In fact I am not even attempting to locate anyone opposing Ms. Bartilson's non-church organization. Anyone I am to communicate with will be led to me. It very well may be that at this period of my life some of these people will be those who oppose the non-church nature of the Scientology organization, but that is not surprising because people of good will everywhere oppose such a nature, and there are such people of good will everywhere.

7. Ms. Bartilson states that I express in my December 22 letter the viewpoint that the Sohigian ruling places no restrictions whatsoever on my conduct. (App. p.5, l. 1; LJB Dec. p. 8, para. 16) The very words Ms. Bartilson has excerpted from my letter to support her charge show that I do consider that the ruling does restrict my conduct. "I consider myself free to do anything anyone can, except testify absent a subpoena." Ms. Bartilson is also aware that I have appealed the Sohigian ruling for the reason that it does restrict my conduct, in fact acts as an unconstitutional prior restraint on my right to speak, and



that, even though the restriction is limited to my not being able to testify on behalf of claimants or intended claimants against the organization except pursuant to subpoena, I consider that injunction illegal as it is obstructive of justice and uses the authority and powers of the judiciary to assist vexatious and criminal litigants. The Sohigian ruling does not prohibit my association with and befriending of all those people I consider the organization attacks unjustly and senselessly, does not prohibit my making my knowledge and support available to the Cult Awareness Network, hereinafter referred to as "CAN," in the litigation the organization has fomented against CAN, and does not prohibit my making my knowledge and support available to entities like Time and people like Rich Behar in their defenses from the organization's attacks. Nowhere does the Sohigian ruling state that I may not help those individuals or groups against whom the organization or its agents is litigating a claim or intending to litigate a claim. Nowhere does the Sohigian ruling state that I must sit by while the organization lies, cheats, abuses innocent people, attacks justice and perverts religion.

8. Ms. Bartilson states that a paragraph she quotes from my December 22 letter makes plain what she calls my personal contempt for a court which would rule against me. (App. p. 5, l. 10; LJB Dec. p.9, para. 19) This is a wild and crazy concoction. What I stated, and what I believe is obvious in our system of jurisprudence, and far from contemptible, is that no court will



order me to not defend myself. I have been sued by the organization and I am therefore a defendant. If there comes a day when defendants are not permitted by our courts to defend themselves, then our courts will be deserving of society's contempt. Although the organization, which, pursuant to its own policy, uses our courts to harass its perceived enemies and waste people's time, money and lives, works for that day, I am not worried about that day's arrival. At this time I continue with faith in God Who will not let Justice be no more and Who will not leave me defenseless. I am not unaware that judges are human, that some have been compromised and corrupted, and that bucks, babes and bull are common mechanisms to effectuate judicial compromise and corruption. I am also not unaware that the organization has a widely known and occasionally publicized history of contempt for our judicial system and contumelious efforts to compromise and corrupt our judiciary. Here, not only does the organization seek to have this Court prevent me from defending myself by, inter alia, publicly speaking the truth and helping the organization's victims, it presses to have me punished for speaking and helping.

9. Ms. Bartilson makes much of the fact that I continue to work as a paralegal in the office of Ford Greene who represents various people in organization-related litigation. (App. p. 6, 1. 6; LJB Dec. p. 4, para. 6) Yet it is the organization which has made it necessary for me to work in Mr. Greene's office. Wherever I go, until the organization publicly and honestly



repudiates "fair game," it will target me and use its intelligence network and operations, legal machinery and self-serving madness to destroy me. No employer, other than one who understands this organization's motives, means and madness, can recognize and withstand its covert and overt attacks. The organization puts at risk, because of its pervasive and calculated hatred of me and its determination to destroy me, any employer who would hire me. In 1982 its PIs staked out the law firm where I worked, embarrassed me, terrified my fellow employees, and it harassed my lawyer employers, including the firm's senior partner, with frivolous depositions. The organization attacked my next employer, Michael Flynn, with some fifteen lawsuits, bar complaints, framed him with the forgery of a \$2,000,000 check, ruined his marriage and finally induced him to desert me in order to end the attacks. In 1991, the organization sued another lawyer, Joseph A. Yanny, for daring to represent me in litigation. Mr. Yanny didn't represent me and the litigation existed only in the organization's mad imagination. The organization has now initiated an attack on yet another of my lawyers, Michael L. Walton, subpoenaing him for a frivolous deposition, demanding the production of his personal files and client files, threatening to take his house, and disrupting his life. The organization has subjected Ford Greene to false bar complaints, constant surveillance, and a scheme in which organization lawyers tricked his clients, the Aznarans, into firing him as their lawyer. It sent an agent to get close



to him, get into his office by deception and steal his client files. The organization will do whatever it can to compromise me, any employer and any lawyer, and ruin any relationship of any kind I may develop with anyone. The organization's malice is certainly demonstrated in this effort to have me held in criminal contempt. Based on lies and perversions it wants me jailed for opposing its antisocial acts, and living my own life. I have no doubt that the organization leaders have plotted my assassination, nor that all my friends are at risk from the organization because of their association with me. I am working with Mr. Greene because he too is the target of this organization's attacks, because he understands, and because he too does not think much of organized evil.

10. Ms. Bartilson claims that my execution of proofs of service on July 30, 1992 in the case of Aznaran v. Scientology, US District Court, Central District of California No. CV-88-1786-JMI(Ex) is an acknowledgement of my intention to wilfully disobey the Sohigian ruling (App. p.7, 1.10; LJB Dec. p. 6, para. 11) It isn't. The Sohigian ruling is not intended to and does not prohibit such clerical tasks which can be done by anyone. Signing the proofs of service has nothing to do with my experiences in the organization, concerning which I can provide testimony to claimants and intended claimants only pursuant to subpoena. When I received and read the Sohigian ruling I sought to divine its meaning and apply it sensibly to my life, work and legal situation. If it meant precisely what it said then I would



have to stop breathing because by breathing I would be indirectly assisting any person litigating a claim against the organization entities referred to in sec. 1 of the settlement agreement. Obviously, therefore, Judge Sohigian did not mean what he stated. If he meant only that I could not, as opposed to passive assistance to litigating claimants such as breathing, living and writing magazine articles for the public generally, physically act to help such a claimant personally, I would have to ensure every little old lady or little old man I might escort across any old road was not such a claimant. I am certain Judge Sohigian did not intend that. Even an interpretation of the Sohigian ruling that I am prohibited from indirectly assisting any person litigating a claim against the organization entities in that litigation, in some way unrelated to my experiences in and potential testimony against the organization, leads to absurdities that Judge Sohigian also could not have intended. I recognized that the organization would interpret the Sohigian ruling in an absurd way because its way of interacting with me is crazy and its stock-in-trade is perversion of logic and truth; but I reasoned that I could not myself act in an absurd or illogical fashion and pervert truth out of fear of the organization's use of my God-given actions to attack me. Following Ms. Bartilson's tortured logic, if I got a job as a clerk in the LA Superior Court, for the rest of my life I would not be able to receive, stamp or file any document from anyone involved in litigating a claim against any of the organization



entities. Nor could I answer the phone if a lawyer for such a claimant or even his organization opponents called the Court. If I got a job as a postal carrier I would have to refuse to deliver mail to and from any such claimant. If I became a cab driver I would have to question all my fares and refuse to carry any claimant or his lawyers or witnesses on their ways to meetings, depositions and trials. If the same illogic were permitted in settlement agreements in all cases, and became anywhere near usual in the litigation industry, nobody in this great country could do anything for anybody for fear of violating some non-assistance covenant. The opportunities for unscrupulous groups like the Scientology organization would be fantastic, for anyone who signed such an agreement could be easily framed with settlement violations. Coupled with \$50,000-a-crack liquidated damages clauses the economic possibilities are Hubbardian in megalomagnitude. Trick the clerk into opening an envelope containing anti-organization litigation papers; con the cabbie into driving the wrong person to a deposition; photograph the postman delivering something to a litigant. But I do not believe Judge Sohigian intended such an interpretation of his ruling, and I do not believe such non-assistance covenants or orders are legal or do anything but obstruct the administration of justice and attempt to destroy mens' souls. I believe Judge Sohigian intended only that I cannot make my organizational experiences, which are unique to me, available as testimony to claimants or intended claimants except pursuant to a subpoena. For seventeen

months I have been Ford Greene's sole office helper. I cannot always tell who is phoning Mr. Greene's office before I speak to the caller, and sometimes the callers are people litigating claims against the organization. These same litigants send mail to and receive mail from Mr. Greene's office. It would be unprofessional, discourteous and suicidal to not assist those people by not taking their calls, refusing to handle their mail or not signing proofs of service if I do handle their mail. These are clerical tasks which anyone without any organization experience can perform, and, I believe, are included in Judge Sohigian's specific non-prohibition from "engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order."

11. Ms. Bartilson states in her declaration:

"In July, 1992 following my receipt of a copy of a ruling of Judge Ideman in Aznaran v. Church transferring that case from the Central District of California to the U.S. District Court in Dallas, Texas, I received a telephone call from Armstrong in which he stated that he was calling from Mr. Greene's office and that he needed to receive immediately by fax such transfer ruling of Judge Ideman. I told Armstrong that the May 28 Order prohibited him from assisting the Aznarans or any other litigants against the



Church. He replied that he was trying to help the Aznarans. On behalf of my client the Church, I allege that the statements made by Armstrong as relayed in this paragraph are acknowledgements by Armstrong of his awareness of the May 28 order, his ability to act in compliance of such order and his intention to wilfully disobey its terms."

(LJB Dec. p. 5, para. 9)

Ms. Bartilson's averments are in a different firmament from the realm of truth. On Friday, July 10, 1992 at approximately 2:10 P.M. Ms. Bartilson called Mr. Greene's office. I answered the phone, and she asked for Mr. Greene. I advised her that he was in court. Ms. Bartilson gave me the message that the organization was filing an ex parte application for relief in Aznaran from the US District Court's order of June 25, 1992, attached hereto as Exhibit A. She then said, sarcastically, "You'll just relay the message, right? You won't do any work on the case?" Because I knew Mr. Greene's office had not received the order, concerning which Ms. Bartilson was going to be seeking the ex parte relief, I attempted to relay her message to Mr. Greene's co-counsel on the Aznaran case, John C. Elstead, who I thought would have the order. Mr. Elstead's secretary, however, advised me that he was in Idaho and that she did not know if he had the order. Because of my understanding of notices of ex parte applications, because it was Friday afternoon, because I

did not know how long Mr. Greene would be gone from the office and I had no way of contacting him, because Ms. Bartilson had already called me and announced the fact of the order and spoken to me about the ex parte application, and because the relay of such communications and documents is merely common courtesy between people in the law business, I called Ms. Bartilson back and asked her to fax the order she was referring to. Ms. Bartilson said she wouldn't fax the order unless someone else in Mr. Greene's office asked for it. I simply said that I was trying to help her by making sure the information to Mr. Greene was complete. In her attitude and comments Ms. Bartilson was snotty, and in her present declaration shameless. The order granting defendants' motion to transfer the Aznaran case to Texas, attached hereto as Exhibit B, was signed on August 26, 1992, a month and a half after Ms. Bartilson's call to me on July 10. She is also fibbing about who I said I was trying to help and who called whom.

12. Ms. Bartilson states that in my deposition in this case taken on October 6, 1992 I admit that I was assisting three persons, Tillie Good, Denise Cantin and Ed Roberts, and that whatever it was I said indicates my intention to wilfully disobey the Sohigian ruling. (App. p. 7, l. 18; LJB Dec. p. 6, para 12) Yet there is not one word in the deposition pages Ms. Bartilson cites to that shows I assisted Ms. Good, Ms. Cantin or Mr. Roberts in violation of the Sohigian ruling. I did not assist them and I did not violate the ruling.



13. Ms. Bartilson charges that my interviewing Mr. Roberts violates the letter and spirit of the May 28 order. (App. p. 8, 19, 20) She fails, however, to provide the date of said interview. It was November, 1991, six months before the Sohigian ruling.

14. Ms. Bartilson states that my assisting in the relay of communications between Richard and Vicki Aznaran and Ford Greene are violations of the Sohigian ruling, for which I should be found in criminal contempt and jailed. (App. p. 7, l. 5) Her co-counsel, Andrew Wilson, however, during my deposition in this case on July 22, 1992, clarified what office clerical duties he considered were not prohibited by the Sohigian ruling.

"If you answer the phone because one of your duties is to answer the telephone in the office, that is not part of your duties as a paralegal on the Aznaran case.

"if the communication was 'have Mr. Greene call me,' I wouldn't consider that a paralegal duty."

(Pages 190, 191 from 7/22/92 deposition, attached hereto as Exhibit C) I took Mr. Wilson's comments to mean that he recognized that clerical duties which could be performed by anyone were not prohibited by the Sohigian ruling. I also took his comments to mean that he was going to interpret the ruling sanely, and certainly not in the absurd manner Ms. Bartilson has. I did not consider that when Mr. Wilson was making his statements

he was inviting me to violate the organization's interpretation of the Sohigian ruling so I could be found in criminal contempt and jailed.

15. Ms. Bartilson states that in my letter of December 22 I include the payment of an unspecified amount to Mr. Roberts as a condition to ending my "campaign of harassment against the Church." (App. p. 8, l. 16) Making Mr. Roberts whole financially is not a condition to anything. I have no campaign of harassment to be able to end. The organization has a campaign of harassment toward its innocent members and innocent non-members, which I have attempted with my December 22 letter to resolve peacefully. And the organization is, in its present philosophy and form, not a church.

16. Ms. Bartilson charges that I sent copies of my December 22 letter to 35 individuals in what can only be described as deliberate harassment. (LJB Dec. p. 7, para. 14) I, however, describe my letter differently, and I am not alone. Sending the letter to the various organization addressees made sense because they have a right to know about the risk at which they are being put by the organization's leaders, and because I have a duty to mitigate my damages in this case. Sending the letter to the non-organization addressees was a logical courtesy because they are all affected by the Armstrong litigation, the obstruction of justice spawned by the organization's settlement agreements, the Sohigian ruling, and most certainly would be affected by the organization's ceasing its seemingly ceaseless attacks. I don't



believe any court will order me to not mitigate damages in this litigation, nor do I believe that any court will order me to not attempt to make peace with the organization and not attempt to end the organization's antisocial attitude and actions in order to avoid a significant human catastrophe. If the organization transformed its attitude and actions, as they are directed at its erroneously perceived enemies, into something different from antisocial, I would be more than willing to desist in my efforts.

17. Ms. Bartilson describes CAN as "an antireligious group that advocates the kidnapping and forcible 'deprogramming' of individuals belonging to religions." (LJB Dec. p. 6, para. 17) Because of what I learned over the past year and a half of the organization's attack of CAN and to see for myself what was the truth I attended CAN's 1992 annual conference, which was held this past November in Los Angeles. I am thoroughly convinced that CAN, unlike its attacker, is completely non-antireligious. I am religious, and CAN, unlike the organization, has never attacked me. I am also convinced that not only does CAN not advocate kidnapping and forcible deprogramming of individuals belonging to religions, it does not advocate kidnapping and forcible deprogramming of individuals belonging to non-religious, antisocial hate groups like Scientology. The organization as a hate group was in full force at the CAN conference with lawyers, private investigators, thugs and paid picketers whose sole purpose for being there was to harass CAN members, most of whom are innocent people of good will whose families or lives have

been hurt by the organization or other cults of a similar antisocial and destructive stripe.

18. Ms. Bartilson charges that my making of a videotape of an interview with Jerry Whitfield is a deliberate violation of the Sohigian ruling. (App. p. 9, l. 19) She goes on to state that my production of the videotape interview

"demonstrate[s] most eloquently the contempt which Armstrong has for the legal process, plaintiff's rights, and this Court. His defiance is not accidental or a misstep: it is deliberate, flagrant, defiant contempt. If ever a case cried out for the issuance of an order to show cause, this is the case."

(App. p. 10, l. 16)

The videotape interview is not a violation of the Sohigian ruling because it does not assist any claimant against any organization entity in any claim, arbitration or litigation. It is indirect passive assistance to everyone just as breathing is, and cannot be enjoined by the ruling unless the ruling is interpreted in a foolish manner. As explained in paragraph 10 above, I do not interpret the Sohigian ruling as the organization does because to do so would be foolish.

19. Ms. Bartilson claims that Mr. Whitfield is an anti-Church litigant (App. p. 8, l. 26), and that I made the videotape for possible use in the case of Angel Casillas v. Jerry & Rana Whitfield , Los Angeles Municipal Court Case No. 91K49349 (App.



p. 9, l. 14; LJB Dec. p. 10, para 22). The Sohigian ruling, no matter how the words are interpreted only enjoins me from assisting claimants or intended claimants against the organization. It mentions nothing about individuals or groups defending against organization claims; therefore I am not enjoined from assisting Mr. Whitfield in the Casillas case. Notwithstanding that fact, the videotape was not made for use in the Casillas case, and I have not assisted Mr. Whitfield in that case.

20. Ms. Bartilson seems to also recognize the distinction the Sohigian ruling makes between claimants against the organization and defendants against the organization because she carefully explains that

"[w]hile the Church is not presently suing the Cult Awareness Network in any litigation, the president of the Cult Awareness Network, Cynthia Kisser, has initiated an action against the Church and its president Heber Jentzsch." (LJB Dec . p. 8, para. 17)

There is no way whatsoever that I will ever be convinced by such assertions, no matter who makes them, especially an in-house organization Scientologist lawyer, whose office doubles as the organization's infamous intelligence bureau, OSA, the Office of Special Affairs. It is my firm belief that each and every one of the some thirty lawsuits filed by "individual" Scientologists against CAN across the United States within the past year has

been fomented, written, filed, financially supported, supervised by the organization and controlled by its leader. If David Miscavige, the organization's admitted supreme leader, ordered the dismissal of any or all of the lawsuits against CAN, it would be done without objection. The organization's use of cutout litigants as fronts and getting them to do some of its dirty work in harassing perceived enemies is common knowledge. Having its agents, lawyers, members and litigation skills lie about who their controllers are, or about any other subject as ordered, is standard organization practice which is also common knowledge. Because the organization is behind the lawsuits against CAN, I am free to provide CAN my assistance in its defense. If indeed the organization is not behind the lawsuits against CAN, and I completely reject such a position, then I am free to assist CAN in those lawsuits for the very reason that organization entities are not parties. If, as Ms. Bartilson perceives it, I cannot assist anyone in litigation in which organization entities are not parties, then I would have to retire as a paralegal, and could never become a lawyer, or for that matter a postal worker or cabby. I cannot see that Judge Sohigian envisioned such madness in his ruling.

21. Ms. Bartilson also charges that the videotape was created "for Whitfield's use in forcible deprogrammings to force unwilling Scientologists to renounce their faith."

(App. p. 9, 1.12; p. 10, 1. 11)



I have known Jerry Whitfield for approximately six years, and have known his wife, Hana, for approximately twenty-two years. The Whitfields perform a function termed "exit counseling," which involves the education of individuals, who, as Judge Sohigian stated, "get themselves enmeshed in [the organization's] extremist view in a way that makes them unable to resist it apparently," at the request of such individuals' families, in aspects of the organization which have been deliberately kept hidden from the individuals while under the organization's control. Hana Whitfield was a senior aide to L. Ron Hubbard, worked with him personally, and managed sectors of the organization for him for many years, so is an ideal person to educate individuals enmeshed in the organization's extremist view in the dark and secret side of Scientology that is concealed from all but the organization's few leaders while they are inside. That the Whitfields are involved in "forcible deprogrammings" is a "black PR" attack invented out of whole cloth by the desperate organization leaders. Black PR or "black propaganda" is a term used by Hubbard to describe his organization's efforts to destroy people's reputations with lies and intelligence operations involving, inter alia, forgeries, frame-ups and entrapment. The work the Whitfields have been doing is dangerous, because they are the targets of the organization's doctrine and system of opportunistic hatred, also called fair game; but there is no evidence that I am aware of that they have forced anyone to do anything, or forcibly detained anyone. Scientologists do not



have a faith which can be renounced, if by faith is meant anything approximating a system of religious belief. L. Ron Hubbard wrote that Scientology does not depend on belief or faith. He also wrote that Scientology does not consider or deal with God, and he attempted to mock God in his organizational policies. What exit counseling consists of is getting enmeshed individuals to examine the fact that they have been led by deceit and coercion to put their faith in secular representations of secular leaders who do not have their best interests in their minds and hearts and who are turning their good will against their families, friends, society and themselves; and that these leaders are effectuating this perversion of the spirit and will by the secular means of threat, isolation, lies and denial of access to facts and the truth.

22. Ms. Bartilson argues that

"incarceration is an unusually viable vehicle for impressing upon Armstrong the import of his obligations, inasmuch as Armstrong has publicly disavowed money as a meaningful or valuable commodity." (App. p. 13, l. 11)

Ms. Bartilson supports this argument with a copy of an article concerning my economic philosophy which appeared November 11, 1992 in the Marin Independent Journal. My present position is that although money has no value, until it is no longer currency I will accept what I am given and use it for God's work in the recognition that all that I am given, including money, has one



Source. My economic theories, however, are no basis for my being jailed. Following Ms. Bartilson's logic, if incarceration did not restrain me from helping my fellow men, execution would then become "an unusually viable vehicle" to get my attention.

23. The organization's use of this innocuous article from my local newspaper argues strongly for why I must speak out and must do what I can to end the organization's mad war with everyone. In the organization's reply memorandum in support of a motion to strike my cross-complaint and for sanctions filed in this case on November 24, 1992, and to which the Marin IJ article is attached as an exhibit, Ms. Bartilson states that

"just last week Armstrong chose to gratuitously disclose information concerning the settlement agreement, in another violation of its specific terms, to a reporter interviewing Armstrong on a completely unrelated subject...Armstrong refused to testify concerning some of this same information under oath in deposition in this action, claiming that his side agreement with his former lawyer precluded him from disclosing the amount which he received in settlement to anyone...Obviously, Armstrong had no such compunctions about disclosing the amount to a reporter."

Page 2 from the organization's reply is attached hereto as

Exhibit D. In the organization's motion to compel answers to deposition questions and the production of documents pursuant to notice of deposition, filed in this case on January 6, 1993, and to which the Marin IJ article is also attached as an exhibit, Ms. Bartilson states that "Armstrong has told the media how much he was paid in settlement." Page 9 from the organization's motion to compel is attached hereto as Exhibit E. In the organization's November 1992 edition of their publication, "Membership News," which is a hate parody of CAN's publication "Cult Awareness Network News," the organization cites to the Marin IJ article, lifts the IJ's photograph of me, describes me as looking-"like a cross between Charles Manson and a throwback to the Haight-Ashbury days of acid trips," and insinuates that I urge "kidnapping-for-free." The relevant page from the organization's "Membership News" is attached hereto as Exhibit F. I did not tell the Marin IJ reporter Richard Polito the amount of the settlement payment, and the organization knows that fact because its agent, private investigator Eugene M. Ingram, who has threatened to kill me, who at the CAN conference accused me of having AIDS and spread that diseased rumor at the conference, who illegally videotaped me, who framed my lawyer Michael Flynn, who has filed trumped-up bar complaints against Ford Greene, and who has harassed countless innocent individuals on the organization's orders, was told by Mr. Polito back in November 1992 when he visited the IJ office to "investigate" me that Mr. Polito did not get the information concerning the organization and the



settlement from me but obtained it from a clip the IJ maintained in its own files. A copy of the Marin IJ article of March 21, 1992, which mentions the litigation, the settlement and the \$800,000 figure, which facts did not come from me, is attached hereto as Exhibit G. I am a writer, artist and philosopher. I am the president of The Gerald Armstrong Corporation, I am involved in charitable projects internationally, and I have been given the formula for the Unified Field. The organization has demonstrated by its misuse of the Marin IJ article that it will attack me and my public persona in whatever I do in life, no matter how philanthropic my endeavors, or how unrelated they are to the organization. In the instant application Ms. Bartilson uses the article to support the organization's effort to have me thrown in jail. The organization has disrupted every aspect of my life and will continue to disrupt it and attack everything I do, even if it means denying the world a way by which some of its serious problems might be solved.

24. This is not the first time the organization has attempted to have me charged criminally and not the first time it has concocted an effort to have me found in contempt of court. It tried in 1982 to have the LA Police Department arrest me for sending documents to my lawyer after it had sued me civilly concerning the documents and after the subject documents were surrendered to the clerk of the LA Superior Court. In that case I was found by Judge Breckenridge, because of the organization's antisocial nature and acts and my knowledge thereof, to have been



manifestly justified in my actions. The organization tried in 1985 to have the Boston office of the FBI charge me with impersonating an FBI officer, based on the false statements of an organization agent. In 1986 the organization attempted to have the Los Angeles District Attorney charge me as a result of Ingram's illegal videotaping of me. The LAPD officer involved with Ingram in the scheme, who was paid at least \$10,000 for his help, was suspended from the force. The DA rejected the organization's efforts. In Armstrong I, the organization attempted three times to manipulate the Court into holding me in contempt. Each of these efforts, all of which were based on the organization's false sworn statements, was rejected. In this case, in March, 1992, the organization attempted to have Marin Superior Court Judge Michael B. Dufficy hold me in contempt of court. The copy of the Marin Independent Journal article of March 21, 1992, Exhibit G hereto, is an exhibit to that application, which was also supported by a perjurious declaration of Laurie Bartilson, and also rejected. So far the organization pretends to not get the message: that its unscrupulous use of the courts and law enforcement agencies to attack and threaten innocent people is recognized for what it is and will not be tolerated in our society.

25. I do not believe Ms. Bartilson is a bad person, nor do I think she honestly believes I am a bad person. I believe she is deeply troubled by being compelled to perjure herself over and over and compelled to attack me because she knows I am not the



villain she must make me out to be. I believe she is deeply troubled by her attacks on CAN, the Whitfields and countless other people of good will the organization considers targets. I believe she is deeply troubled by her abuse of the position, knowledge and rights of officers of the court, and the organization's use of her professional status. She demonstrates why people under the organization's control, whether they be lawyers, doctors, peace officers or postmen, cannot and should not be trusted. Only the organization's public and honest renunciation of its antisocial philosophy and practices, and release of all of those professional and ordinary people from its control, will render such Scientologists again as trustworthy as any other free people. Ms. Bartilson is under her organization's leader's malevolent thumb, she cannot make her own decisions, she is deluded, dishonest, and frightened. To do what she does she accepts the organization's pronouncement that Gerry Armstrong is a "suppressive person," that he is one of the "2 1/2 percent" most evil persons in the world, that he is "psychotic," driven by "hidden evil intentions," and "truly insane," that he threatens the whole future of all mankind, that he really is not worth saving, and that it is, therefore, pro-survival, ordered and praiseworthy to attack him. The organization's "legal" position regarding enquiry into the "suppressive person" doctrine and attitude, is that it is protected "religious belief," and the literature, including orders thereon, which must be obeyed, is "scripture." That may be, in that persons and thoughts are holy,



but by its own choice the organization has brought its socially repugnant "religious" doctrines into the secular legal arena for a secular purpose. If Ms. Bartilson rejected the organization's pronouncements she knows that she would herself be labelled "suppressive" and herself become fair game's target. She also knows that the organization has real lawyers doing real things with real private investigators with real guns, all of whom are making real money at their tasks, and that that is the real level to which the organization leaders have taken their unpleasant game in the real world. In her application Ms. Bartilson asks for real law enforcement personnel with real guns to really lock me up in a real jail for real time. Ms. Bartilson should not be condemned for being manipulated by the organization's— malevolence; she, as all victims, should be viewed with much compassion. At the same time, she should be restrained and brought to understand that her acts are malicious, silly and unacceptable from a member of the bar and society.

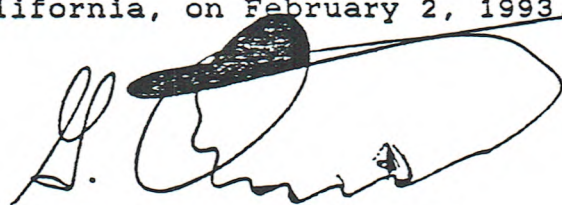
26. The picture the organization is painting and would have this Court believe is real is that I view the Los Angeles Superior Court, the Sohigian ruling, and Judge Sohigian with contempt, and that my acts demonstrate that contempt. My acts, what I did and said, are detailed above, and I believe demonstrate something different from contempt. I do not deny that I was, until I, in my opinion, understood it and resolved for myself its practical application, perplexed by the Sohigian ruling. I believe strongly, however, that I have respected the



ruling and, although, as stated above, I believe that, even as I interpret and respect it, the ruling is illegal, I have not acted in any way in contempt of it. I believe that Judge Sohigian created with his ruling an invitation for me to appeal it, and provided within the ruling itself the appeal's grounds: its fuzziness, its contradictions, its departure from his hearing comments, its rewriting of the settlement agreement's prohibitions, and its statutory and constitutional violations. I believe Judge Sohigian's ruling strategically left the organization, because it escaped with sudden relief after the previous day's hearing in which he sharply censured its unsavory practices, unwilling to appeal the ruling. This unwillingness is something different from the organization's pattern of appealing everything that can be appealed, and strikingly so here because Judge Sohigian refused to enforce all but the narrowest slice of the settlement agreement, and even that he rewrote in my favor. I believe he offered the organization an opportunity to redeem itself and it is now clear that his offer has not been accepted. I respect Judge Sohigian's intellect and person and am thankful he heard the injunction aspect of my case.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at San Anselmo, California, on February 2, 1993.

A handwritten signature in black ink, appearing to read 'G. Armstrong', with a large, sweeping flourish extending to the right.

© Gerald Armstrong

GERALD ARMSTRONG